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ABSTRACT

The handbook is comprised of eight chapters and nine appendixes which provide business management training and resource listings for rural women. Chapters cover aspects of financial planning, credit, recordkeeping, business regulations, personnel, federal taxes, estate planning, and property management. Appendixes include a will planning checklist, forms of business organization, a tax calendar/checklist, area IRS numbers, Equal Credit Opportunity Act--federal enforcement agencies, resources for information on women's rights and responsibilities, federal consumer offices, and general resources. The last appendix provides suggested formats for holding workshops to instruct rural women in business management training. (BRR)

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BUSINESS
MANAGEMENT
TRAINING
for
RURAL WOMEN

Southern Oregon State College
Ashland, Oregon

Women's Educational Equity Act Program
U.S. Department of Education

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BUSINESS MANAGEMENT TRAINING for RURAL WOMEN

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Project Director

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Southern Oregon State College
Ashland, Oregon

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INTRODUCTION

When you're driving down a country highway, what do you see? Farms and ranches (both small and not so small), orchards, fields of crops, and small businesses of all kinds and even sizes. In small towns and rural areas, it's often women who are the owners, managers, bookkeepers, and bill payers--as rural women have been for years and years. Many women, however, haven't had any business or management training, and although they've been "managing," sometimes for years, due to their own resourcefulness, with some training and access to outside resources, they could manage a little better and with a lot more self-confidence.

No one is a born money manager. You do not come into the world with change jingling in your pocket and a checkbook in your hand. It is something you have to learn, and can learn at any age. The success of your business or farm or personal accounts depends upon your good management, and your persistence, ambition, and courage. The first step is learning some basic principles, and then having a route of access to resources and current information about business requirements and regulations.

The previous numbered page in

We hope this handbook will help you on your way. It is not meant to be, nor could it possibly be, a complete reference book on business. It can open doors. Ideally, it should be used in conjunction with a workshop, where business people, accountants, bankers, and attorneys can answer your questions and where you can share your experiences with others.

What are your questions? You should have many. Ask!

The annotated bibliography will help you find your own answers to some of your questions, and the appendixes will guide you to resources that, at little or no cost, can advise you and aid you in your self-education. We have been happily surprised at the great number of resources that are available and waiting.

Wade in . . . and persevere.

We wish you the best of your abilities--and much satisfaction.

1

FINANCIAL PLANNING

Whether you manage a home, business, farm, or ranch, careful money management will help you:

- Live within the boundaries of your income.
- Plan.
- Buy the things you really want.
- Make better use of your money now.
- Learn about other, possibly better, ways to use your money.
- Reduce bad spending habits.
- Meet financial emergencies.

Also, when you own a farm or business, you want to make a profit, of course, and manage what you have most effectively. This means you want to:

1. Get the highest possible return on assets and investments with a considered degree of safety.
2. Carefully weigh needs for additional assets.
3. Get credit when it is necessary and avoid it when it would become too much of a burden.
4. Be able to repay debts effectively.

And to meet all these criteria, you need to know your present financial situation. You can then assess your present needs and future direction. Financial records are a good beginning. They may sound frightening at first, but they can be very simple. All they need to be is well organized and consistent. In some cases a pile of unpaid bills listed in a couple of columns might be sufficient, while in others a staff of accountants might be required. The common requirement in all cases is good organization and consistency.

The two most important items in your financial system will be: (1) the balance sheet, and (2) the profit and loss statement.

The balance sheet is basically a picture of your business at a certain point in time, such as at the end of the month or quarter. It lists "assets," "liabilities," and "capital." Assets are all the things you own that have money value, such as cash, land, buildings, machinery, and equipment, as well as any money owed to you. Liabilities are debts, or the money you owe, such as bills and mortgages. Capital is also called equity, and is determined by subtracting liabilities from assets. You can figure your total assets by adding total liabilities plus equity: Total Assets = Total Liabilities + Equity.

On page 8 is a form, in essence a balance sheet, for finding your "net worth"--that is, for determining the amount of your capital or equity. Using this form will enable you to see your financial position, which in turn will help you with planning, spending, and meeting your financial objectives. (Note: For the purposes of this discussion, we have included on the form categories of both personal and business assets and liabilities, to help you see your overall financial position; however, you can and should adapt the form to suit your own circumstances. For example, to prepare a more formal summary reflecting the net worth of your business--perhaps to present to a banker or potential investor or creditor--you would itemize only those assets and liabilities related to the operation of your business.)

A profit and loss statement (page 9) can be made out monthly or periodically during the year and shows, up to that time, profit or loss. Because there is a wide variety of sources of revenue for those who live in rural areas, there are various profit and loss statement formats.

Balance sheets and profit and loss statements enable you to know how much you owe, what your net worth is, and how this year compares with last year.

Do you need cash more at certain times of the year than at others? For example, are there certain times when you are paying employees or when you need more inventory? Some simple planning of your cash needs and resources will help you use your cash more efficiently and finance some of those seasonal business needs. To estimate some of your future needs, you'll have to refer to past patterns. For instance, depending on your business, maybe you usually sell livestock in the fall or earn more money in the summer, thanks to tourists. Good planning will help you develop a workable program of borrowing and repayment to provide you with the necessary funds and to make the best use of surplus cash.

Use the general planning outline on page 10 to help estimate your monthly cash needs. You can make this kind of plan at least two years in advance to determine income expectations and times of greatest cash needs.

After you have computed the totals for the year to see how much cash you might need when, you're almost ready to talk to a banker about some different types of financing.

SUMMARY OF NET WORTH

Date ______________

Assets

Cash on hand ______________

Bank accounts (checking and savings) ______________

Any other savings accounts (credit unions, savings and loan, etc.) ______________

Life insurance, cash value ______________

Profit-sharing, retirement, or pension plan ______________

Current value of annuities ______________

Stocks, bonds, mutual funds, investment trusts ______________

Business equity ______________

Machinery ______________

Livestock ______________

Grain ______________

Farm property ______________

House, market value ______________

Other real estate, value ______________

Automobiles, motorcycles, boats, tractors ______________

Household furnishings (rugs, furniture, appliances, silverware, etc.) ______________

Other personal property (jewelry, clothes, antiques, etc.) ______________

Money owed you ______________

Any other assets you can think of ______________

TOTAL ______________

Liabilities

Current bills ______________

Credit card purchases, balance due ______________

Installment purchases, amount owed ______________

Insurance premiums due ______________

Loans (personal, bank, credit union) ______________

Mortgages (real estate, home, property ______________

Taxes owed ______________

TOTAL ______________

YOUR NET WORTH--capital or equity (assets minus liabilities) ______________

PROFIT AND LOSS STATEMENT

(For the Year Ended 1980)

Gross Sales or Income		$ 150,000
Cost of Goods Sold		
Beginning inventories	$ 10,000	
Grain on hand	3,000	
Livestock on hand	28,000	
Purchases: grain, livestock, equipment	13,000	
Transportation expenses (freight, trucking, etc.)	5,000	
Other expenses (supplies, fuel, feed, etc.)	9,000	
Values of ending inventory (stock or grain on hand)	12,000	
Cost of goods sold TOTAL (to be subtracted from gross sales)		80,000
Difference (would be called gross margin)		$ 70,000

EXPENSES

Salaries and wages	$ 24,000	
Utilities	1,200	
Rent or lease	1,200	
Other expenses	1,200	
Taxes and licenses (state and local)	2,000	
Depreciation and improvements	2,200	
Repairs	3,500	
Selling expenses	250	
Advertising	25	
Miscellaneous selling expenses	75	
TOTAL EXPENSES		$ 35,650
Any other income		-0-
Other expenses		-0-
Net profit before taxes		34,350
Estimated income taxes		4,200
Net profit after income taxes		30,150

ESTIMATE OF MONTHLY CASH NEEDS

Month	Regular Cash (Fixed Costs) Needs	Additional Needs	Reason for Additional Cash Needs	Total Cash Needs	Anticipated Income	Difference Between Anticipated Income and Total Cash Needs
January						
February						
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						

BORROWING

You can borrow money for a variety of purposes, but people in business generally use money for three major purposes:

1. Working capital. This is money you need for brief periods of time. Working capital helps you take care of the day-to-day activities of your business. As you look over the estimate you just made, you may see a need for cash to meet some of your obligations before your income is received. This is called working capital. If you can show your banker the summary of expected income to repay the loan, you shouldn't have much difficulty with this kind of need.

2. Equity capital. This is what you own. Equity is that money which you have in the business. This is your contribution to the value of the business or property and usually the owner has most of the equity in a business. Occasionally, there will be someone else who has added some money to it, but, in essence, this is your own investment. Usually you can't borrow to cover the basic equity. In other words, you have to have the down payment to begin with before you can get other money to operate.

3. Gross capital. This is money for growth or expansion. Whether it's a loan to buy additional land or property or to purchase feed grain or good livestock, this is money that will promote the growth of your operation and assets. When you seek this kind of money, you will be expected to show how you could make your business more profitable and how you could make more money to be able to repay the loan over several years.

There may be times when you will have a temporary need for cash. You may need short-term loans which might change according to the seasonal requirements for your particular operation.

If you are asking for a loan, you'll be expected to show how you can pay it off during your production cycle or over a one-year period. For instance, if you can demonstrate that you will sell livestock in November and can pay off the $20,000 that you want in May, then your banker may be able to help you.

Based on your previous estimate, you should be able to predict those months (there may be several) during which you will need some cash from a bank. But at some time during the year, you will be expected to repay before you renew notes for these kinds of loans.

Sometimes people use working capital in an attempt to increase the size of their businesses. For instance, they may lease some additional buildings or buy a few extra head of cattle out of their operating funds and then discover that it is difficult to repay the loans during the annual pay-up period. If this is happening to you, you might take another look at your needs to see if you should be borrowing separately to increase your total worth. Then you might take out a separate loan for purposes of adding to the size of your operation. Or it might be possible to arrange a combination of loans to handle your working needs and your increased expansion needs.

LEVERAGE

Basically, leverage refers to the effective use of money so that you can make it work for you rather than you working for it. Some people, especially those who have heard about or lived through the Depression, are afraid of borrowing money. Still others have been raised with the concept that one should pay one's way and not be indebted to others.

The overall meaning of leverage, however, is that money is a tool, just as hammers and saws are tools. If you build something, you'll have to hammer and saw and put things together. The same is true of money. The effective use of money means that you put it to work for you--you put it together and end up with a product which is worth more than the separate items you began with. For instance, if you are building a house, the materials and lumber cost a certain amount of money and the labor costs a certain amount of money, but the result is worth more than the individual labor, materials, and lumber that went into the building of it. The same holds true for the effective use of money. By borrowing effectively and efficiently, and by planning carefully based on your current needs and projected goals, you can build up more worth at the end of a project than at the beginning. The principle of leverage is that you use funds effectively toward predetermined goals--financial goals related to property, values, and ultimately your net worth. Never borrow for prestige or to gratify your impulse-buying urges. Do not borrow to finance a way of life you can't afford. Borrow instead with clear goals in mind, and after you have shopped for good credit terms and rates.

The more you increase your net worth in property values, the more apt you are to be able to get larger sums of money to be used for purposes of expanding or increasing the volume of your business. This is what is meant by the principle of leverage. To use money effectively, you have to be able to put together a good financial plan or picture to show to the professional who lends money.

To put together a "picture" of your finances, you begin with the balance sheet, or summary of your net worth. Some banks or lending agencies may ask that an accountant prepare your statements, depending upon the history of your relationship with the bank and how well they know you and your credit history. Go to the financial institution prepared with the information that we have just listed and also with an outline of what your goals are in terms of your operation.

GOAL SETTING

This brings us to planning for the future, a procedure that starts with ideas and ends with putting price tags on those ideas.

First of all, decide what you want to do now and in the next five years. No matter what your income is, you have choices. Spend some time on this, and be as specific as you can.

I WANT NOW . . .	COST

I WANT IN FIVE YEARS . . .	COST

Then, begin thinking how you might accomplish these goals. Look over your budget and summary of net worth, and list ways you can realistically begin to accomplish your goals.

RETIREMENT SAVINGS PROGRAMS

Most people want to build up some money for retirement. One important element of your financial plan can be the savings you set aside in a tax-sheltered or "qualified" plan; the money earns interest and you do not pay income taxes on it until later. Although there are specific rules and regulations, these programs have substantial tax benefits. Contributions are tax deductible; the money put aside is in before-tax dollars, often helping you stay in a lower tax bracket. Earnings on the contributions are tax sheltered and can build up more rapidly than those in an income-taxed savings account.

There are four basic plans: the Individual Retirement Account (IRA), the Tax-Sheltered Annuity (TSA), the Keogh Plan, and the Corporate Pension or Profit-Sharing Plan. Following are key points about these four plans.

IRA - Individual Retirement Account

IRA's are available to individuals who are not currently participating in another form of "qualified" plan (TSA, Keogh, Pension, or Profit Sharing). There are, however, several minor exceptions.

Individuals may contribute up to 15 percent of gross income, to a maximum of $1,500 per year. Also, a non-employed spouse can be eligible for a "Spousal IRA" and may contribute up to $1,750 per year, which is deductible from the wage earner's gross income. The IRA participant is effectively locked in until age 59½ and must start making withdrawals by age 70½. The IRA concept was created in 1974 for one primary purpose: to extend the tax benefits of qualified retirement plans to individuals not already covered by such plans.

TSA - Tax-Sheltered Annuity

Tax-Sheltered Annuities are plans for employees of certain nonprofit organizations such as hospitals, foundations, parochial schools, charitable corporations, churches, and others similar in structure. TSA's are also available to employees (full time and part time) of public schools. Under TSA rules, a participant may shelter approximately 20 percent of gross income per year. TSA's offer "catch-up" provisions that allow a participant to join on a retroactive basis, making participation effective as of the date of employment with the current employer, and the flexibility of premium contributions further adds to the attractiveness of TSA's.

As with most "qualified" plans, the same age restrictions (59½ and 70½) apply to TSA's. Generally speaking, only annuity plans (such as those offered through mutual funds and insurance companies) may be used.

Keogh Plans

Keogh Plans, also known as HR-10 Plans, were enacted in 1962 to provide a qualified retirement plan for self-employed individuals and are subject to the Pension Reform Act of 1974. A self-employed individual is one who has "earned income" from self-employment. The most obvious example of a self-employed individual is the sole proprietor or the unincorporated professional--doctors, dentists, CPA's, and attorneys, for example.

Under Keogh provisions, participants may set aside up to 15 percent of gross income, to a maximum of $7,500 per year; in addition, there are modified Keogh Plans whereby substantially more money may be put away on a tax-favored basis. A significant aspect of the Keogh Plan is that if the self-employed individual is also an employer, she or he is obligated to contribute the same percentage amount for all employees who are eligible, and the plan must be IRA approved.

In general, the same age restrictions (59½ and 70½) apply to Keogh Plans as apply to most other "qualified" plans.

Corporate Pension or Profit-Sharing Plan

Corporations may establish qualified Pension or Profit-Sharing Plans on behalf of and for the benefit of employees. Because of the extensiveness and almost unending ramifications of these plans, we will cover only the basics.

A Pension Plan usually has a limit of 25 percent of gross income per year, although several plans and designs (the defined-benefit type) offer more. Profit-Sharing Plans are limited to 15 percent of compensation, but do allow for contributions to be decided on annually by the corporation (whereas the Pension Plan generally has a fixed percentage that does not change from year to year). The normal retirement age is set out in the plan design, as are the entering data, the minimum age, vesting schedules, and investment mediums.

Corporations may offer both a Pension and a Profit-Sharing Plan, but generally the arrangement is limited to a total of 25 percent. And although defined-benefit Pension Plans allow contributions of up to 100 percent of salary, such plans are special in nature and require very careful professional advice.

GETTING HELP

For counseling about finances, go to your local banking and lending agencies, which have professionals who can advise you. Ask them for information. Ask them where to get more information. Check out the resources listed in this handbook, including the public library, the local Small Business Administration, Farmers Home Administration, and County Extension Service. You might want to talk to a colleague who is in the same business. If you are in the farming business, the publications put out by the Extension Service certainly would be helpful. You might want to take advantage of the expertise of retired executives who are available through the Small Business Administration (SBA), the Service Corps of Retired Executives (SCORE), or the Active Corps of Executives (ACE). The important thing is not to be afraid to ask. These people are trained, willing, and interested to help you, whether it's for a construction or an expansion loan; purchase of facilities, machinery, supplies, or equipment; or working capital. They can also give advice about recordkeeping and taxes and can refer you to other helpful resources.

2

CREDIT

The reasons for wanting or needing to borrow money can range from buying some lumber to buying the lumber mill. You may want to go back to school . . . put a new roof on your barn . . . or buy more equipment for your business. The reasons for loans are many and varied, as are the sources for the loans themselves.

TYPES OF FINANCING

The three basic types or sources of funds for farm, ranch, or small-business financing are (1) the equity or capital provided by the owner, (2) long-term financing (such as real-estate mortgages or term loans on equipment and/or livestock), and (3) short-term credits. Within these categories are many agencies and types of lending organizations that are financial sources for small businesses. Some are described in the sections below; for a more comprehensive listing, refer to the chart on pages 20-21.

Equity or capital can be provided from funds the owner already has, such as personal savings or personal assets, or from private sources, such as friends or relatives who do not require repayment, but expect to share in the profits of the venture. One way to increase the equity in your business is to increase the number of owners--by forming a partnership, a limited partnership, or a corporation. There is also something called a venture capital group, which is an association of investors who pool their funds to invest in small, promising companies. You can learn more about this by talking to your banker.

Long-term financing means that repayment terms are scheduled over a period of years. An example is the real-estate mortgage loan which can be repaid over 20-, 30-, or even 40-year terms. Other long-term loans may be for equipment purchases, with repayment over a period of time of from five to seven years.

Long-term sources of credit are many. Long-term farm mortgage loans are available through the Federal Land Bank Association, various life insurance companies, the Farmers Home Administration, the Department of Veterans Affairs (for qualified veterans), and commercial banks. Savings and loan associations make long-term mortgage loans, but limit most of their loans to residential properties. Small Business Administration guaranteed loans are also available for certain types of real-estate-secured transactions and for real-estate purposes. Some credit unions make real-estate-secured loans.

Short-term loans are usually defined as those that are repayable within one year. They may be needed to provide funds for seasonal requirements, such as crop production loans for farmers, livestock production loans for ranchers, or peak inventory or accounts receivable loans for business people. Many manufacturing companies need short-term loans or credit to pay for raw material, manufacturing supplies, labor, etc., during their peak seasons.

The sources for most short-term loans include commercial banks, the Production Credit Association (for agricultural needs), the Small Business Administration, commercial finance companies, leasing companies (for leased equipment and trade suppliers who provide terms for repayment), and credit unions.

PRIVATE LOAN SOURCES

Commercial banks, credit unions, savings and loan associations, life insurance companies, licensed small-loan companies, industrial loan companies, and second-mortgage companies are all "private" loan sources.

A full-service commercial bank offers a wide variety of loans, including personal loans, automobile loans, "overdraft" loans, mortgage and home improvement loans, secured loans, and credit card loans. It is relatively simple, quick, and inexpensive to get a bank loan, but banks are rather selective, requiring you to have an especially good financial standing and credit rating. Once you have repaid your loan, however, your bank is a valuable credit reference.

Credit unions are cooperative associations, formed by members of a certain group, such as a business firm, club, or labor union. They usually specialize in small personal loans, especially for emergencies, automobiles, or home improvements. Credit unions have several points in their favor, such as low interest rates and services, which are possible because of their low operating costs and tax-exempt status.

If you are part of a well-defined group, it is not too difficult to form a credit union of your own. For more information, write to CUNA International, Inc., P.O. Box 431, Madison, Wisconsin 53701.

Savings and loan associations offer businesses long-term financing for such expenses as construction, and make personal loans for reasons such as home purchase, home improvements, and education costs. These funding arrangements are possible: residential mortgages, commercial real-estate and construction loans, and passbook loans. Their interest rates are comparable to those of commercial banks.

Life insurance companies are good loan sources for many reasons. After you have paid the premiums on a regular life insurance policy for a couple of years, the policy becomes a cash asset. You can then borrow its cash surrender value at a low interest charge, which is a flat rate on the unpaid balance of your loan. These loans are very easy to get; you can arrange for them by mail and are not held to any specific repayment time.

Licensed small-loan companies offer small loans, both single payment and installment. They are not as selective as banks, but if your credit

FINANCING SOURCES FOR SMALL BUSINESS*

SOURCE	PURPOSE OF LOAN	SIZE OF LOAN	RATE OF INTEREST	COMMENTS
COMMERCIAL BANKS	Most purposes	All sizes	Average	Selective (first place to go)
SAVINGS AND LOAN	Long-term loans, primarily residential	All sizes	Average	
PERSONAL FINANCE COMPANIES	Personal uses	Under $25,000	High	Most flexible
COMMERCIAL FINANCE COMPANIES	Most purposes		High	Most flexible; will take high-risk customers
INSURANCE COMPANIES	Primarily commercial real estate	Large ($100,000 and up)	Average	Usually contacted through a mortgage banker, broker, realtor, or builder
INSURANCE POLICIES	Any purpose	Up to the paid-up value of policy	Low	
MORTGAGE BANKERS	Refinance mortgage for any purpose	$100,000 minimum	Average	
SMALL BUSINESS INVESTMENT CORPORATIONS (SBIC's)	Can buy stock or make loans for any business purpose	Up to several million dollars	Average	Contact SBA for more information
LOCAL DEVELOPMENT CORPORATIONS (LDC's)	Plant acquisitions, construction, conversion, expansion, or acquisition of land; loan or leasing	Up to $500,000	Low on SBA share	Contact SBA for more information

SOURCE	PURPOSE OF LOAN	SIZE OF LOAN	RATE OF INTEREST	COMMENTS
SMALL BUSINESS ADMINISTRATION				Contact your banker
-Loan guarantee	Guarantees up to 90% of bank loans for most purposes	Normally, up to $350,000; can be up to $500,000 under special circumstances	Determined by bank	
-Direct loan	Most purposes	Low (under $100,000)	Low	
FARMERS HOME ADMINISTRATION (FmHA)	Most business purposes in a rural area; guaranteed loan program and some direct loans	Large ($500,000 and up)	Determined by bank	
ECONOMIC DEVELOPMENT ADMINISTRATION (EDA)	Business loans to stimulate employment. Also will guarantee loans from conventional sources	Large ($500,000 and up)	Low on EDA portion	
PORT DISTRICTS	Primarily construction or expansion on port land	Maximum $250,000	Average	Any community may become a port district. Contact the Department of Economic Development
REVENUE BONDING				Guaranteed by industry. Interest tax exempt. Contact Department of Economic Development
-State	Purchase or construction of industrial land or equipment	Very large		
-Port districts	Determined by industrial port authorities	Very large		Contact Department of Economic Development

*Taken from the booklet Financing Small Business in Oregon, State Economic Development Commission.

rating is doubtful, they may require a co-signer. The interest rates are comparatively high. The usual purposes are for personal loans and automobile loans.

Industrial loan companies make loans primarily to industrial workers. The companies have a license to loan amounts larger than those made by small-loan companies, but generally the purposes are the same. Their interest rates are higher than those of banks, but lower than those of small-loan companies.

Second-mortgage companies lend you money against your home or property on a second mortgage for a specified period of time--usually three to ten years--so you can use the money for other purposes. You can also refinance your first mortgage (take out a new mortgage, with a new long-term life and a new interest rate) through a bank, an individual investor, or the same company that gave you your first mortgage. Because you pay interest over such a long period of time, however, these sources of money can be very costly. The total finance charge for the term of your loan will (must!) be disclosed to you, though.

PUBLIC LOAN SOURCES

"Public" or government sources of loans include the Small Business Administration, Farmers Home Administration, Production Credit Association, and Federal Land Bank Association.

The Small Business Administration has an extensive program of loan assistance for the woman in business. The two forms of loan assistance most frequently granted are (1) the guaranteed loan program (which provides an SBA guarantee of up to 90 percent or a maximum of $500,000 of your bank loan), and (2) direct loans, for which you must prove that your business is a financially sound risk, and only after you have been turned down by one or two banks (depending on the population of your town). Other loans made by SBA include programs for loan assistance for minority enterprises, businesses run by handicapped and economically disadvantaged persons, businesses suffering from economic or physical disasters, and businesses hurt by government actions.

In order to be eligible for SBA loans, you must meet the "small business" definition and show that you cannot obtain credit through normal lending channels.

You can write for the brochure *SBA: What It Does* for a more complete description of available loan programs. Another brochure, *SBA Business Loans*, describes objectives, standards, and application requirements.

The Farmers Home Administration (FmHA) has a loan guarantee program for rural areas. They will guarantee up to 90 percent of a business or industrial loan for most purposes, including working capital. They also make housing loans to farm families and other people in rural areas. To be considered for an FmHA loan, you have to be certified by a local committee and loan supervisor, have had recent experience or training on a farm, and be able to manage a farm. If you have a dependable income not connected with farming, you may be able to qualify without meeting these requirements.

One of the purposes of FmHA is to assist people who cannot obtain reasonable credit elsewhere. If you are granted credit, though, you must agree to refinance your loan with a commercial lender as soon as you build up enough equity in your property. FmHA personnel must make loans they believe to be economically sound, so they require you to keep complete records on your business or farming operation. They will give you advice and supervision about managing both your property and your finances.

The Federal Land Bank Association and the Production Credit Association are cooperative agencies, owned by the farmers and rural residents who borrow from them. Both are coordinated by the Farm Credit Administration. The Federal Land Bank Association makes long-term mortgage loans for a variety of purposes, such as purchasing farms, farmland, machinery, equipment, and livestock; refinancing existing mortgages and paying other debts; constructing and repairing buildings; and financing other farm and family needs. The terms of the loans are suited to the needs of the individual farmer, but can range from 5 to 40 years. All are made on a variable interest-rate plan. Federal Land Bank Association loans also are available for the purchase or construction of non-farm rural homes and for certain farm-related businesses.

The Production Credit Association (PCA) makes short- and intermediate-term loans for almost every farm, farm home, and farm family need. Most loans are for production purposes, such as meeting current farm expenses, and mature within a year. However, many loans are made for capital purposes, such as buying equipment and livestock, and may be written for periods of up to seven years. PCA also makes loans for the repair or remodeling of non-farm rural homes, for farm-related businesses, and to fishers operating on either the open seas or controlled waters.

PERCENTAGE RATES

Depending on the amount of money borrowed, interest can become a big cost. Since the Truth-in-Lending Act went into effect, though, customers have been in a much better position to compare the costs of borrowing. Under this Act, creditors must disclose all direct and indirect costs involved in buying on credit, and on top of that, these disclosures must be made in writing (typed or printed), be clear and conspicuous, and use standard terminology.

The two most important terms for the customer are the finance charge and the annual percentage rate, which tell how much the customer is paying for credit in terms of both dollars and percentages.

The finance charge is the total of all costs, either direct or indirect, which the customer pays for being granted credit. Besides interest, a finance charge may include fees such as carrying charges, the cost of insurance premiums, and the cost of appraisal or investigation reports required to complete the transaction. Costs that you would have to pay even if you were not extended credit, such as taxes, licenses, registration fees, and certain title fees, can be excluded. So, in some cases, the cost of appraisals and credit reports is included in the finance charge, and in others it is not. All excluded and included costs must be itemized, however, and clearly disclosed to the customer.

The annual percentage rate is the annual cost of a loan shown as a percentage. Because you can compare credit terms, regardless of differences, this rate is your key to cutting credit costs. For example, suppose you want to buy a truck. (This is "closed-end" credit--you agree in advance on the specific amount to borrow, the number and size of weekly or monthly payments, and a due date.) Each dealer you talk to will probably differ as to the loan amount and the length and size of payments. For that special package, the dealer will work out the finance charge--the dollar cost plus interest and other charges for extending the credit. The dealer will then convert the finance charge into the annual percentage rate, the figure that quickly tells which deal offers the most credit for the money; that is, the one with the lowest annual percentage rate. Meanwhile, you can compare total dollar cost through the finance charge.

With "open-end" credit (such as a revolving charge account), you are extended credit up to a certain limit and have the choice of paying in full at the end of the billing period or of paying over several billing periods, with finance charges figured on the unpaid balance each month. You simply look for the lowest annual percentage rate to compare costs. To save the most when you use this type of credit, pay within the 25 or 30 days allowed free of any finance charge. This gives you the convenience of credit with the same cost as paying cash.

CREDIT CAUTIONS

Interest. What is the annual rate? What will be the total amount of interest on the loan? Is there an escalation clause that permits the lender to increase the interest rate in the future?

Down payment. A larger down payment can help you reduce the cost of credit. Beware of borrowing the down payment from a second lender. This means two payments instead of one.

Size of payments. Are they all the same? Watch out for a larger final payment or "balloon clause." Even if you make every payment but the final one--the balloon payment--you may lose everything.

Repayment in advance. Is there any refund of the finance charge? Can the loan be paid faster than agreed upon without incurring a penalty?

Missing a payment. What happens? Penalty charges? Entire debt due? Immediately? (Does the loan include an acceleration clause--that is, can the lender require the entire loan balance to be paid if the payments become past due?)

Default. What if you just can't pay and have to default? Collection charges? Storage or court costs? Can you reclaim your property? If it's sold but doesn't cover your debt, must you pay the difference?

If there are contract terms you do not want, ask the lender to strike them out. If the lender agrees to do so, both of you must initial the changes. If you cannot understand the contract, ask for a blank copy, and then discuss it with a friend who can help you.

OBTAINING AND MAINTAINING CREDIT

Wherever you apply for credit, lenders are interested primarily in whether you will pay them back, and whether you will do it on time. This is called your creditworthiness--your ability and willingness to repay a credit extension. Your ability is reflected by your income and its stability. Your willingness is reflected by your credit history--have you repaid your debts in the past?

Lenders talk about the "Five C's" of credit:

Character. Your personal characteristics, shown through factual record, that reveal how you might act as a borrower--traits such as honesty, sense of responsibility, soundness of judgment, and trustworthiness.

Capacity. Your financial ability to repay the loan. This is based on your job, your income, how long you've held this job, and your future prospects.

Capital/Collateral. Your assets which can serve as security for the loan--your home, bank accounts, stocks and bonds, cars, etc.

Conditions. General economic conditions in your locality and industry; these can include weather factors and shortages of vital materials --petroleum products, fertilizer, equipment, etc.

The "Five C's" are reflected in questions such as these that lenders ask in order to determine creditworthiness:

"How much money do you earn?"
"Have you had any bad debts in the past?"
"How long have you worked at your current job?"
"How long have you lived at your current address?"
"Do you own or rent your house?"
"How much do you owe, to whom, and what are the repayment terms?"
"Have you repaid past debts?"

If you have never had credit before, or have never had it in your own name, a good place to start is a department store near you. Use your charge account to make small purchases and pay your bill promptly. You can build up a good credit history by paying the total balance each month without incurring finance charges. This is the least expensive way to begin your credit history.

After you have had your charge account for a year or so (and have a reasonable income), apply for a bank credit card: VISA, MasterCard, etc. You are initially limited as to how much you can charge, but this increases as your income grows and your credit history improves.

Another way to establish your credit history is to take out a small loan from your bank. You can even deposit this in your savings account and draw from it to meet the monthly payments.

Once you have established credit, you will want to maintain a good rating. First, make the agreed-upon payments on or before the due date. Make sure you do not charge "over your head," but if you do run into difficulty and cannot make a payment, be sure to tell your creditor; most creditors, if they know about the conditions and believe you are willing to repay, will defer payments or temporarily reduce the size of monthly payments. Do not go into hiding.

YOUR CREDIT RIGHTS

In addition to the Truth-in-Lending Act mentioned earlier in this chapter, there are three other acts which protect your credit rights: the Equal Credit Opportunity Act, the Fair Credit Billing Act, and the Fair Credit Reporting Act. The following explanations of the acts are from fact sheets prepared by the Consumer Services Division, Oregon Department of Commerce.

The Equal Credit Opportunity Act expressly prohibits discrimination on the basis of sex, marital status, race, national origin, religion, age, and receipt of income through public assistance.

Under this act, an applicant cannot:

1. Be asked about birth control methods or family plans.
2. Be required to have a co-signer, if co-signers are not required for other applicants in similar situations. If a co-signer is legitimately needed, the creditor cannot mandate that the co-signer be the applicant's spouse.
3. Be required to supply information about one's spouse, unless the spouse will use the account or be responsible for it, or unless the spouse's income is being relied upon.

4. Be required to select a title, i.e., Miss, Mrs., Ms.

5. Be asked about marital status when applying for unsecured credit.

6. Be discouraged from applying for credit for a prohibited reason.

The act also ensures an applicant the right to:

1. Have joint account information listed in the names of both spouses.

2. Present information that the credit history of one spouse accurately reflects the other's creditworthiness.

3. Reveal child support or alimony as income. This is optional; it does not have to be considered. If it is reported, it will be evaluated as income according to its stability and regularity.

4. Have the account in the name of her or his choice; married, maiden, or a combination of both.

If credit is denied, the applicant must be notified within 30 days. Certain information must be provided to the applicant by the creditor, including the name and address of the administrative agency, the consumer's right to request a specific reason for the denial of credit, from whom this information is obtainable, and the name and address of the credit bureau whose report was used, if applicable.

If a credit applicant believes she or he has been discriminated against for a prohibited reason, she or he may file a complaint with the appropriate enforcement agency. The consumer also has the right to sue in Federal District Court for actual and punitive damages.

The Fair Credit Billing Act provides a set procedure to correct billing mistakes in open-end credit and credit card transactions. The creditor must make a disclosure of this procedure to the consumer when the account is first opened and at least every six months thereafter.

If there is an error in your bill or something you don't understand and would like explained, contact the creditor in writing within 60 days of the postmarked date on the bill. Telephone calls may be more convenient, but they do not protect your legal rights. On a sheet of paper separate from the bill, state your name, account number, explanation of the problem, and amount of error. It's always best to send all letters by certified mail, return receipt requested, and to keep copies of everything you mail. That way, you will have a record of what action you've taken and when.

If you have previously authorized automatic payment from your bank account to cover your credit charges, you may stop payment if you send a written notice to the bank and they receive it within 16 days of the date the bill is mailed to you.

The creditor must acknowledge receiving the complaint within 30 days, unless the error has been corrected. Within 90 days the creditor must reinvestigate the bill and either make a correction or send a written explanation of the reason the creditor believes the bill is correct.

While the problem is being investigated, you don't have to pay the amount in dispute, but you must pay all other amounts not in dispute. During this time the creditor cannot take action to collect the amount in dispute or report it as delinquent. If the problem remains unsettled after reinvestigation, the creditor may then report the amount as delinquent. After receiving notice from the creditor that the bill is believed to be correct, you have ten days to respond in writing that you refuse to pay the amount and the creditor must then notify all persons who have received reports that the issue remains disputed. The creditor must also furnish the names and addresses of all those who have received reports.

If the bill was in error, you are not responsible for the finance charges imposed on the disputed amount. The creditor may decide whether to give a refund or credit for excess payments, but if the policy is to give a refund, it must be made within five days of your written request.

If you have purchased defective goods and services with credit cards, you should first try to return the goods and give the merchant a chance to solve the problem. If it cannot be resolved, you may withhold the amount due from the credit card issuer. If the credit card issuer is a third party (not the retailer) who did not participate in soliciting your purchase, two additional criteria must be met: the price must be greater than $50 and the goods must have been purchased in your home state or within 100 miles of your home.

If goods are returned, the retailer must send a credit statement to the credit card issuer within seven days and the credit card issuer must then credit your account within three days.

If a creditor fails to follow the provisions of the act--disclosure, acknowledgment, reinvestigation, notification--the right to collect the first $50 is forfeited, even if there is no billing error. The Federal Trade Commission and the Comptroller of the Currency are the major enforcing agencies, but they cannot represent the consumer in private actions. Individual consumers may bring private legal action, and if they prevail, they are entitled to actual damages, twice the amount of finance charges, and attorney fees and costs.

The Fair Credit Reporting Act seeks to protect the consumer from the circulation of inaccurate or outdated information by regulating the credit information which may be given out about a consumer. It applies only to consumer transactions, not to commercial credit. Consumer-reporting agencies must use procedures which are fair to the customer in their confidentiality, accuracy, relevancy, and use of the consumer reports.

Consumer-reporting agencies collect information on you and your credit history to provide to third parties, who use the information for credit, insurance, employment, licensing, or business purposes. Reports may also be furnished in response to a court order or upon the consumer's written instructions, but for no other purposes than these. Consumer-reporting agencies serve simply as clearinghouses for information; they do not rate one's creditworthiness. Potential creditors do that, using their own scoring systems to evaluate the information supplied by the reporting agency.

Consumer reports may be oral, written, or in any other way communicated. Ordinary reports contain identifying information--i.e., address, employment, number of dependents, birth date, and a summary of credit history and payment records. Ordinary consumer reports do not include criminal records, judgments or personal information on your reputation, character, or mode of living. That type of information is included in investigative reports which are made by questioning family, friends, and acquaintances, and is used primarily for insurance and employment purposes. Investigative reports are more personal and require that the consumer be notified within three days that the report has been ordered. If the consumer makes a request within a reasonable period of time (60 days), the reporting agency must disclose the nature and scope of the investigation within five days of receiving such a request, but need not disclose the source of the request for the report.

Adverse information may be reported for only 7 years, except for bankruptcy, which may be reported for 14 years. These time limits do not apply if the transaction involves more than $50,000 credit, insurance greater than $50,000, or employment at an annual salary of $20,000 or more.

If you have been denied credit within the last 30 days based on a consumer-reporting agency's report, your file must be reviewed with you free of charge. Otherwise, a minimal fee will be charged for the information. You also have the right to know who has received the report in the last six months, or in the last two years if the report was for employment purposes. The person denying you credit must provide the name and address of the consumer-reporting agency that supplied the report upon which the denial was based. Either specific reasons for the denial must be given or the name, address, and telephone number from which these specific reasons may be obtained must be disclosed. General reasons are not adequate compliance with the act.

Consumers have open access to the information on reasonable notice and with proper identification. The consumer-reporting agency is not obligated to show the file itself, but must disclose the nature and substance of the information contained therein, excepting medical information and the sources of investigative reports. You may take someone along with you to serve as a witness when you check your file with the consumer-reporting agency.

If you question the accuracy of the information in the credit report, a reinvestigation will be made. If the disputed information cannot be confirmed, it will be removed, and if you so request, a corrected report will be sent to all those who received the original one. If the consumer-reporting agency does confirm the disputed information, you may present your side of the story in writing and ask that it be included in your file and sent to all those who received the report. You may be asked to pay a reasonable fee for this service.

Enforcement of the act is under the authority of the existing bank regulatory agencies and the Federal Trade Commission. Private enforcement can be sought by bringing civil suit. The action must be brought within two years after the claim arises, unless a misrepresentation is involved, and then the period is two years after the discovery of the misrepresentation. If the violation is due to negligence, the consumer may recover actual damages plus attorney fees and court costs. If the violation was willful, the consumer may recover, in addition, unlimited punitive damages as the court may allow.

3

RECORDKEEPING

Writing down numbers in a book may not be your idea of fun--especially when you have to put them on the right line, in the right column, and make sure they, too, are right. Doing this every day may even strike you as being a little bit fussy. Keeping good and accurate daily records, though, can save you much time and worry later.

You know about keeping tax records, which include Federal and state returns; monthly, quarterly and annual payroll returns; and property tax reports. The Internal Revenue Service does not require that any specific records be kept or accounting systems used, but you must be able to support statements made on your tax forms. Your records must also be accurate, and show taxable income and allowable deductions.

For the owner-manager of a small business, the IRS requires that permanent books of accounts or records be kept which show the firm's income, expenses, and deductions. Where inventories are factors in determining income correctly or when travel and entertainment deductions are made, special details supporting these are required.

All of your income and expenses must be reflected in your records in the event an IRS agent inspects them. Otherwise, deductions you cannot substantiate may be disallowed, and you may have to make an additional tax payment.

Also, if you have good records, you will have readily accessible all the facts you need for filing your tax return and will be less likely to make a late filing, which carries severe charges and penalties.

Another reason to keep records is so that you can review the financial history of your operation. When you can see what you have done in the past and can compare this year with last, seeing which areas are profitable and which are not, you can measure your financial progress and make management decisions. You can see whether you should add or drop products. You can review expenses. Are they excessive compared with income? What about advertising, if you have a business? Has there been a proportionate increase in sales?

This brings us to a fourth reason to keep records. Recordkeeping provides the information you need for planning and for future projections. If you can project your income, you can adjust your budget now. When you can project cash flow (measurement of the money which passes through an operation), you can see what your cash needs are generally and seasonally, and make adjustments.

You can diagnose problems and see needs. A good recordkeeping system can answer such questions as:

"How often do I turn over my inventory?"

"How much business am I doing?"

"How soon can I anticipate realizing on my accounts receivable?"

"How much do I owe my suppliers or other creditors?"

"What is my weekly payroll? Do I have adequate payroll records to meet the requirements of Workers' Compensation, Wage and Hour Laws, Social Security, Unemployment Insurance, and Withholding Tax?"

"How much net profit did I earn (and how much resultant income taxes will I owe)?"

"What is my capital; that is, of my total assets, how much would be left after paying my creditors in full?"

"Are my sales, expenses, profits, and capital showing improvement or did I do better last year? Two years ago?"

"How do the financial facts of my business compare with those of similar businesses?"

By determining the problem areas--whether they're in sales declines or sales of unprofitable items, slow collections, or over-investment in inventory, for example--you can start taking steps to correct the situation.

You also need accurate and up-to-date records to obtain credit. Whether you need a "working capital" loan to help you during a slack period; a "capital expenditure" loan to buy new equipment, land, or buildings for expansion purposes; or simply credit from suppliers, banks and credit grantors need properly prepared financial statements in order to determine if they should extend credit.

REQUIREMENTS FOR A GOOD SYSTEM

Your recordkeeping system should be:

1. As simple as possible. You don't want to spend more time keeping records than you do running your operation!

2. Understandable. You need to know what you're doing, and your system should be understandable to someone else in case it needs to be taken over temporarily or permanently.

3. Reliable and accurate. It should give you systematic and essential information, and provide mathematical checks and proofs.

4. Consistent. Similar transactions should be recorded in the same way all the time. You can then compare them. Consistency also emphasizes the accuracy and reliability of income statements.

5. Prompt. You must be able to provide or find information when you need it. Someone might be waiting.

6. Comparable to similar businesses. Outside or third parties might want to know how your operation compares with others, and you can compare percentages of gross profit, volume, and payroll, for example.

RECORDS THAT SHOULD BE KEPT

This section covers the basic kinds of records you need to keep for a small business. More specific information about many of these records is in Chapters 4, 5, and 6.

1. Checkbook. All funds that pass in or out of your business should go through a checking account which you set up solely for that purpose. When used with your other records, the checkbook helps you prove how much money was handled, how much was taxable income, and what amounts were deductible for income tax reporting. You should reconcile

your bank statement monthly, using the proof totals from your receipts and disbursements journals to check your work.

2. Cash receipts journal. All receipts, categorized by source and month, should be entered in a receipts journal. If you have a business, the cash sales entry may be taken from your cash register tape or by totaling your cash sales slips and any other cash received that day. In this manner, income that is not realized from sales--for example, advertising allowances--is separated from receipts that have to be reported as "gross receipts or gross sales."

3. Cash disbursements journal. All funds paid out, categorized by type of expense and month, should be recorded in a cash disbursements journal. The best practice is to enter daily in this journal every check you write which is drawn on your business checking account. Each entry should show the nature or classification of the disbursement--merchandise, office supplies, rent, or employee wages, to mention a few examples. You can summarize the expense classifications by extending each entry into a column for a particular class of expenses and adding the columns monthly.

4. Petty cash fund. This is used for making payments without having to write checks for small amounts. Every time you make a payment using petty cash funds, you should make out a petty cash slip and attach it to your receipts as proof of payment. You need to set a fixed amount in your fund, and the unspent cash and petty cash slips should always equal that fixed amount. When the total of petty cash slips nears the fixed amount, you should bring the cash back to the fixed amount by writing a check to "Petty Cash" for the amount of the outstanding slips. Then you can summarize the slips and enter them in the proper columns in the cash disbursements journal.

Other records which you might need to keep include:

- Time cards or books on individual employees for accurate payment of wages.
- Social Security payroll records showing Social Security tax deductions and employee earnings to date.
- Capital and depreciation records listing all major depreciable assets and showing current values and depreciation.

- Inventories, taken at least annually, of livestock, feed, unsold crops, and supplies, and their values.
- Harvest and yield records on all crops, preferably listed by field.
- Production and mortality records on livestock.
- Records of gasoline use for farm purposes, to obtain a tax refund.
- Business documents such as bills, vouchers, sales slips, and cancelled checks (these records should be kept at least five years).

What Information Should Your Records Provide?

1. Income tax returns--Schedules 1040, 1040-F, 1040-D, etc.
2. A true net income statement, for management purposes, prepared on an accrual basis (adjusted for changes in inventory).
3. Periodic net worth or financial statements as needed.
4. Income and expense items summarized monthly for use in budgeting and financial management.
5. Convenient references to previous transactions, production, prices, etc.
6. Records of investment, contributions, and withdrawals for each owner of the business.
7. Records for deducting and remitting Social Security taxes on employees.
8. Records for obtaining refunds on state and Federal gasoline taxes.
9. Yield and production information on major crop and livestock enterprises.

Keeping Records for Taxes

For the owner-manager of a small business, maintaining a fixed asset record, in which you record all equipment, buildings, vehicles, and other depreciable assets, is a necessary part of any bookkeeping system. There are also several depreciation techniques such as accelerated methods and special "first year" additional depreciation which, in some cases, should be used to defer or reduce tax costs. (Investment credit applicability is also a factor. A good record of your assets is essential to plan for and set maximum tax advantages in these areas of fixed assets.) Under the Revenue Procedure 62-21, depreciation schedules and records must be kept for at least as long as the replacement cycle to substantiate the guideline lives which IRS allows.

Employers who withhold taxes from wages have to keep additional and extensive records. If you have one or more employees, you may be required to withhold Federal income tax from their wages. Your payroll records must include the amounts and dates of all employee wage payments subject to withholding taxes. You should keep such records for at least four years after the date the tax becomes due or is paid, whichever is later.

If your business is a small corporation or partnership, your records must show the salaries paid to its officers and the dividends paid to stockholders. The owner-manager is responsible for filing an income tax return for the company, as well as for filing a personal return to pay income tax on her or his salary and the dividends she or he receives from the corporation.

If the business is a partnership, it files an information return on Form 1065, indicating the income or loss assignable to each partner. Each partner then files a personal return that includes her or his share of partnership income along with other taxable income.

Retaining Records for Taxes

Records to keep for tax deduction purposes on both your personal and your business returns include receipts for:

1. Medical and dental expenses. Medicines and drugs; fees for doctors, dentists, nurses, hospital care; insurance premiums for medical care; hearing aids, dentures, eyeglasses; transportation for medical purposes, etc.
2. Taxes. Real estate taxes, personal property taxes, general sales taxes, etc.
3. Interest expense. Home mortgage, bank loans, finance charges, etc.
4. Contributions. Cash contributions to the community chest, church or synagogue, colleges and universities; gifts of property, etc.
5. Miscellaneous deductions. Union dues, subscriptions to professional journals, uniforms, political contributions, tax assistance fees, etc.
6. Income statements. Forms W-2, W-2P, 1099, interest income statements, etc.

As a general rule, you should keep the records you use to prepare your income tax return for as long as they may become material in the administration of any Internal Revenue Service law. Ordinarily, the statute of limitations for such records expires three years after the return is due to be filed.

Generally, the Internal Revenue Service cannot bring assessment or collection proceedings for a given taxable year after three years have elapsed from the due date of the return or the date it was filed, whichever is later. The major exception to this time period is when the taxpayer has omitted over 25 percent of gross income or has filed a false or fraudulent return.

However, you should keep in mind that this three-year period is a minimum. Many of your records should be kept for a longer period.

Among business records often considered permanent are cash books, depreciation schedules, general ledgers, journals, financial statements, and audit reports. Records to be retained for six or seven years often include accounts payable and receivable, cancelled checks, inventory schedules, payroll records, sales vouchers, and invoice details.

Copies of income tax returns should always be retained. Retaining records helps the taxpayer as well as the IRS because it is often to the taxpayer's advantage to use carry-back claims and amended returns. In such cases, you must be able to prove that your tax returns are correct.

The IRS generally keeps records for six years. You can lighten your home record load by discarding certain checks and bills once they have served their purpose. For example, you can throw away weekly or monthly salary statements (assuming you are paid that way) after you check them against your annual W-2 Form. It is wise, however, to save cancelled checks that relate directly to an entry on your tax return, and to keep all medical bills for three years to back up your cancelled checks.

If necessary, you can obtain a copy of your tax return by writing to the Internal Revenue Service Center to which your return was sent. Make sure you include your Social Security number and a notarized signature.

ACCOUNTING METHODS

The law does not require any particular kind of bookkeeping system, so long as your records are permanent, accurate, and complete, and clearly establish income, deductions, credits, employee information, etc. If you have more than one business, you must keep a complete and separate set of books and records for each business.

When starting a business, you should establish the type and arrangement of your books and records most suitable for the business. An accountant can help you with this.

Cash or Accrual?

Which accounting method you choose--cash or accrual--might depend on whether or not you extend credit to customers and also on the amount of inventory you require.

Most businesses use accrual. With this method of recording, you account for revenue for the period of time in which it is considered to have been earned, even if payment has not yet been received in cash. Likewise, you account for expenses for the period of time in which they are considered to have been incurred, even if payment has not yet been made in cash.

The cash method is used mostly by farmers, doctors, and organizations. Both income and expenses are reported in the year in which they occur. This method is not allowed by the Internal Revenue Service for businesses with inventory.

When you file your first tax return, you may choose any method of accounting that clearly and accurately reflects your income. After that, you must obtain the consent of the IRS before you make a change.

Single Entry or Double Entry?

The simplest bookkeeping system is single entry, and it may be sufficient if you're just starting out in business or have a small and simple business. This system is only partially complete, as it concentrates just on the profit and loss statement, and not on the balance sheet. By using a daily summary of cash receipts, a monthly summary of receipts, and a monthly disbursements journal, you can use the single-entry system to record income and expenses adequately for tax purposes.

The double-entry system has the advantage of built-in checks and balances, which ensures accuracy. In this system, you use journals and ledgers. First, all the daily transactions of the business are entered in the journal, showing:

1. Date
2. Description of the transaction
3. Money involved
4. The type of income and expense affected by the transaction.

Later, summary totals are posted to ledger accounts, which show income, expenses, assets, liabilities, and net worth. Income and expense accounts are closed at the end of each accounting period, whereas asset, liability, and net worth accounts are kept open and maintained on a permanent basis.

An important feature of this system is that it is self-balancing. Every business transaction is an exchange of one thing for another, and in double-entry bookeeping you show this by entering every transaction both as a debit in one account and as a credit in another account. Therefore, when you compare ledger accounts, if no errors have been made, the totals of debit and credit amounts should be the same, and the accounts are in balance.

After the accounts are balanced, financial statements--which consist of the profit and loss statement and the balance sheet--may be prepared. As discussed in Chapter 1, the profit and loss statement shows current operations for the year, and the balance sheet shows the position of the business in regard to assets, liabilities, and net worth (equity) at an exact point in time.

The systematic and periodic recordkeeping necessary for the efficient operation of a small business is outlined in the checklist on the following page.

SMALL-BUSINESS RECORDS CHECKLIST:

What an Owner-Manager Should Know

The owner-manager of a small business must keep records on a daily, weekly, and monthly basis. At any given time, she or he should know or be able to ensure:

DAILY

1. Cash on hand.
2. Bank balance. (Keep business and personal funds separate.)
3. Daily summary of sales and cash receipts.
4. That all errors in recording collections on accounts are corrected.
5. That a record of all monies paid out, by cash or check, is maintained.

WEEKLY

1. Accounts receivable. (To take action on slow payers.)
2. Accounts payable. (To take advantage of discounts.)
3. Payroll. (Records should include names and addresses of employees, Social Security numbers, number of exemptions, date ending the pay period, hours worked, rate of pay, total wages, deductions, net pay, and check numbers.
4. Taxes and reports to state and Federal governments (sales, withholding, Social Security, etc.).

MONTHLY

1. That all journal entries are classified according to like elements (these should be generally accepted and standardized for both income and expense) and posted to the general ledger.
2. That a profit and loss statement for the month is available within a reasonable time, usually 10 to 15 days following the close of the month. This shows the income of the business and the resulting profit or loss. From this, take action, if necessary, to eliminate loss, such as adjusting mark-up, reducing overhead expense and pilferage, correcting tax-reporting and buying procedures, and taking advantage of cash discounts.
3. That a balance sheet accompanies the profit and loss statement. This shows assets (what the business has), liabilities (what the business owes), and the investment (equity) of the owner.
4. That the bank statement is reconciled. (That is, the owner's books are in agreement with the bank's record of the cash balance.)
5. That the petty cash account is in balance. (The actual cash in the petty cash box plus the total of the paid-out slips that have not been charged to expense. Total the amount set aside as petty cash.)
6. That all Federal tax deposits, withheld income, FICA (Social Security) taxes (Form 501), and state taxes are paid.
7. That accounts receivable are aged--30, 60, 90, etc., days past due. (Work all bad and slow accounts.)
8. That inventory control is worked to remove dead stock and to order new stock. (What moves slowly? Reduce. What moves fast? Increase.)

KEEPING HOME RECORDS

You know you have that paper. You put it in the drawer with the other "business" papers. It's not there. You try another drawer. And another. You go back to the first one.

Income tax time. You go to your file, pull out the appropriate folders, sit down, and start to work. Or do you? Do you spend a lot of extra time looking for the receipts, checks, etc., you need?

Do you know what you really need to keep and what you might as well throw away?

A Government Printing Office publication, Keeping Family Household Records, has provided some guidelines. First, there are some things you should put in a safe deposit box at your bank or savings and loan company, and some things you should keep at home.

As a general rule, put in a safe deposit box those documents that either can't be replaced or would be costly and difficult to replace.

These should be kept in a safe deposit box:

1. Birth certificates. If you don't have one or have lost it, you may contact your state agency for registration of birth. The agency that provides this service varies from state to state, but can be determined by calling your local library, if you were born before 1920, or the Bureau of the Census. You may also send for the publication Where to Write for Birth and Death Records, Consumer Information Center, Pueblo, Colorado 81009.
2. Citizenship papers.
3. Marriage certificates.
4. Adoption papers.
5. Divorce decrees.
6. Wills (copies, since the originals are kept by the attorney who prepared them).
7. Death certificates.
8. Deeds.
9. Titles to automobiles.
10. Household inventory (a record of everything in your home, for insurance purposes). List each item, what it is, how much it cost, date of purchase, and replacement cost. Also include brand name, model number, and dealer's name.
11. Veteran's papers.
12. Bonds and stock certificates.
13. Important contracts.

If you keep documents relating to securities or investment properties in your safe deposit box, rental fees may be deducted from your income tax.

Having a definite system and a place to keep your personal papers at home is a necessity. The arrangement can be very simple and inexpensive--a used file cabinet, or even a sturdy cardboard box. The contents should be divided into two parts--active file and inactive storage. Your active file should include the 14 categories below (the first five of which should be moved to the inactive storage file after three years):

1. Unpaid bills.
2. Paid bill receipts.
3. Current bank statements.
4. Current cancelled checks.
5. Income tax working papers.
6. Employment records (resumes, health benefit information, etc.).
7. Credit card information (each card's number and company name).
8. Insurance policies.
9. One copy of each will.
10. Family health records.
11. Warranties.
12. Education information (transcripts, diplomas, etc.).
13. Social Security information on benefits, regulations, etc.
14. An inventory of items in your safe deposit box.

A record of the location of these and other important papers should be kept in a loose-leaf binder. The binder should also include:

1. A list of all your savings and checking accounts.
2. The name and branch of the bank at which your safe deposit box is located.
3. A record of your family's Social Security numbers and insurance policy information.

Finally, and this is very important, when you have established a system, share it with someone else in your family.

4

BUSINESS REGULATIONS

First, it should be noted that business regulations vary from state to state. In fact, although their functions may be similar, the names of the regulatory agencies themselves can vary widely among states. For example:

AGENCY	STATE	NAME
Workers' Compensation	Oregon	Workmen's Compensation Board
	Oklahoma	Industrial Court
	California	Division of Industrial Accidents Department of Industrial Relations
Economic Development	Oregon	Department of Economic Development
	North Carolina	Department of Commerce
	Texas	Industrial Commission
Commerce	Oregon	Department of Commerce
	Vermont	Agency of Development and Community Affairs
	Virginia	Division of Industrial Development

If you are unsure of the official name of an agency in your state, or of what agency regulates the services you are interested in, use the following list of telephone numbers as a starting point.

STATE GOVERNMENT TELEPHONE INFORMATION NUMBERS

ALABAMA	Montgomery	(205) 269-6011
ALASKA	Juneau	(907) 586-5301
ARIZONA	Phoenix	(602) 271-4900
ARKANSAS	Little Rock	(501) 371-3000
CALIFORNIA	Sacramento	(916) 445-4711
COLORADO	Denver	(303) 222-9911
CONNECTICUT	Hartford	(203) 577-2211
DELAWARE	Dover	(302) 678-4000
DISTRICT OF COLUMBIA	Washington	(202) 628-6000
FLORIDA	Tallahassee	(904) 488-1234
GEORGIA	Atlanta	(404) 656-2000
HAWAII	Honolulu	(808) 548-6222
IDAHO	Boise	(208) 384-2411
ILLINOIS	Springfield	(217) 782-2000
INDIANA	Indianapolis	(317) 633-4000
IOWA	Des Moines	(515) 281-5011
KANSAS	Topeka	(913) 296-0111
KENTUCKY	Frankfort	(502) 564-2500
LOUISIANA	Baton Rouge	(504) 389-6601
MAINE	Augusta	(207) 289-1110
MARYLAND	Annapolis	(301) 267-0100
MASSACHUSETTS	Boston	(617) 727-2121
MICHIGAN	Lansing	(517) 373-1837
MINNESOTA	St. Paul	(612) 296-6013
MISSISSIPPI	Jackson	(601) 354-7011
MISSOURI	Jefferson City	(314) 751-2151
MONTANA	Helena	(406) 449-2511
NEBRASKA	Lincoln	(402) 471-2311
NEVADA	Carson City	(702) 885-5000
NEW HAMPSHIRE	Concord	(603) 271-1110
NEW JERSEY	Trenton	(609) 292-2121
NEW MEXICO	Santa Fe	(505) 827-4011
NEW YORK	Albany	(518) 474-2121
NORTH CAROLINA	Raleigh	(919) 829-1110
NORTH DAKOTA	Bismark	(701) 224-2000
OHIO	Columbus	(614) 466-2000
OKLAHOMA	Oklahoma City	(405) 521-2011
OREGON	Salem	(503) 378-3131
PENNSYLVANIA	Harrisburg	(717) 787-2121
RHODE ISLAND	Providence	(401) 277-2000
SOUTH CAROLINA	Columbia	(803) 758-0221
SOUTH DAKOTA	Pierre	(605) 224-3011
TENNESSEE	Nashville	(615) 741-3011
TEXAS	Austin	(512) 475-2323
UTAH	Salt Lake City	(801) 328-5111

VERMONT	Montpelier	(802) 828-1110
VIRGINIA	Richmond	(804) 770-0000
WASHINGTON	Olympia	(206) 753-5000
WEST VIRGINIA	Charleston	(304) 348-3456
WISCONSIN	Madison	(608) 262-1234
WYOMING	Cheyenne	(307) 777-7011

Other possible first steps are contacting the Small Business Administration office in your area, the Chamber of Commerce, or even the County Extension Service.

Taking all these differences in state regulations into account, the following business regulations for the state of Oregon are meant to serve as examples only, and may not be valid for other states.

OREGON BUSINESS REQUIREMENTS

Some local governments in Oregon have established filing requirements which must be met in order to conduct business. Since local requirements may vary from place to place, new businesses should contact their nearest county courthouse for more information regarding licenses, permits, etc.

Air and water control permit requirements. The control of air and water pollution in Oregon is regulated by the Oregon State Department of Environmental Quality (DEQ). Oregon businesses whose operations may involve air and water contamination are advised to contact the DEQ for specific information about certification or permit requirements:

Department of Environmental Quality
1234 SW Morrison Street
Portland, Oregon 97205
Phone 229-5696

Licensing. New or existing businesses in Oregon may be required to obtain a license or permit from a state or Federal agency in order to conduct their operations. More information may be found in the publication Licensed Occupations in Oregon, obtainable from:

The Employment Division
Department of Human Resources
402 Labor and Industries Building
Salem, Oregon 97310
Phone 378-3208

Incorporation. New or existing businesses deciding to incorporate in Oregon are required to file "Articles of Incorporation" with the Oregon Corporation Commissioner. For specific information about filing requirements, contact:

The Corporation Commissioner
Corporation Division
Commerce Building, 158 12th Street NE
Salem, Oregon 97310
Phone 378-4166

W55, Employers Registration Report for Oregon Withholding Tax. This report must be filed by every employer in Oregon immediately upon opening a business or upon issuance of the first payroll for services performed. It is to be filed with:

Department of Revenue
State of Oregon
P.O. Box 800
Salem, Oregon 97308
Phone 378-3359

Form 47, Application for Workmen's Compensation Insurance (SAIF). Every employer in Oregon, on establishment of a business employing one or more workers, is to file this application immediately with:

State Accident Insurance Fund
Labor and Industries Building
Salem, Oregon 97310
Phone 378-3411

Form 12, Unemployment Insurance Coverage Status Report. With one exception, this report is filed by Oregon employers who have one or more individuals employed during 20 weeks of a calendar year, or who have a payroll of $225 or more in any calendar year. The exception is those employers hiring agricultural and casual labor, the use of which does not promote or advance their trade or business. The form is filed with:

Employment Division
Tax Section
402 Labor and Industries Building
Salem, Oregon 97310
Phone 378-3224

Form SS-4, Application for Employer Identification Number. This is a Federal form which must be filed by the person who pays wages to one or more employees. It must be filed with the Internal Revenue Service on or before the seventh day after the start of the business. Specific information may be obtained by calling the state IRS office (toll free, Portland, Oregon, 1-800-452-1980) or the local IRS office.

Occupational Safety and Health Act (OSHA). Enacted in 1970, OSHA pertains to new business employers in Oregon and existing businesses becoming Oregon employers.* The act requires that employee occupational injury and illness records be kept at the place employees usually report to work. The OSHA Administration will provide information about recordkeeping requirements, including posting of related OSHA materials, provisions of the act, and employer exclusions. Oregon businesses which may be classified as employers should obtain the booklets Setting New Standards for Job Safety and Health and Guidelines for Setting Up Job Safety and Health Programs, available from:

OSHA Administration
Room 526, Pittock Block
921 SW Washington Street
Portland, Oregon 97205
Phone 221-2251

A current copy of the publication Federal Register for Occupational and Health Standards would be helpful for use in conjunction with the above booklets. It may be obtained from the OSHA Administration or by writing to:

U.S. Department of Labor
Occupational Safety and Health Administration
1808 Smith Tower Building
506 Second Avenue
Seattle, Washington 98031

For OSHA-related information from a state-level agency, new employers in Oregon are advised to contact:

The Oregon Workmen's Compensation Board
216 Labor and Industries Building
Salem, Oregon 97310
Phone 378-3272

OSHA and agriculture. The basic requirements for agriculture under the Occupational Safety and Health Act involve recordkeeping regarding on-the-job accidents and illnesses and compliance with four specific Federal agricultural safety standards:

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*A Federal act, OSHA of course affects all states.

1. Sanitation in temporary labor camps.
2. Handling and storage of anhydrous ammonia.
3. Pulpwood logging practices.
4. Identification of slow-moving vehicles (SMV emblem).

Two farm-oriented publications which should be helpful, and which are available from the OSHA office, are:

1. Safety and Health Standards for Agriculture.
2. Recordkeeping Requirements (Farm Edition).

Finally, to round out the list of addresses for OSHA, the national headquarters address is:

U.S. Department of Labor
OSHA
Room N-3641
Third and Constitution Avenue NW
Washington, D.C. 20210

A CHECKLIST OF TAXES, PERMITS, AND LICENSES

Item	Applies to My Business	Date for Filing Application/Payment
FEDERAL		
1. Employer identification number		
2. Federal use tax		
3. Depositing withheld income tax and Social Security (FICA) tax		
4. Occupation tax		
5. Quarterly return of withheld income tax and Social Security (FICA) tax		
6. Federal income tax		
a. Filing estimated return		
b. Quarterly estimate payment		
c. Filing annual return		
d. Payment dates		
7. Paying Federal unemployment tax		
8. Federal excise tax		
9. Report of withheld income tax		

A CHECKLIST OF TAXES, PERMITS, AND LICENSES (Cont.)

Item	Applies to My Business	Date for Filing Application/Payment
STATE		
1. Income tax		
a. Estimated income		
b. Quarterly income estimate payment		
c. Annual income tax return		
d. Payment dates for income tax		
2. Sales tax number		
3. Unemployment tax		
4. Sales tax		
a. Report		
b. Payment		
LOCAL (city/county)		
1. Zoning (selected location zoned for my type of business		
2. Business taxes		
a. General		
1) Declaration		
2) Date due		
b. Income tax		
1) Return filed		
2) Date due		
c. Special		
1) Declaration		
2) Date due		
d. Inventory tax		
1) Reporting		
2) Date due		
e. Sales tax		
1) Reporting		
2) Date due		
f. Real estate		
1) Declaration		
2) Date due		
g. Ad valorem		
1) Declaration		
2) Date due		

A CHECKLIST OF TAXES, PERMITS, AND LICENSES (Cont.)

Item	Applies to My Business	Date for Filing Application/Payment
3. Building permit		
4. Business license		
a. Permits		
1) Beverage		
2) Food		
3) Agricultural		
4) Other: ____________		
b. General		
c. Special		
1) Application		
2) Advertising		
3) Hearing		

5

PERSONNEL

How do you go about finding people to hire? How do you know for sure what they should be paid? What do you need to know about hiring temporary help to handle peak loads or seasonal crops? And what are the "hidden" costs of hiring?

To begin with, there are a variety of ways to find your employees:

1. Tell your neighbors and friends. Ask them to spread the word; they might even have a cousin or friend who is just right for your job.
2. Post notices on bulletin boards at meeting places.
3. Use the services of the State Employment Office. This is probably the most convenient way to find seasonal help.
4. Advertise in newspapers.
5. Take notices to schools or teachers and to people you know in business.
6. Check with the placement office of a nearby college or community college. Students are always looking for part-time and even full-time work.

Also, it is easier to find employees at certain times of the year than at others, as, for example, just after graduation in the spring and after a big seasonal job, like fruit or vegetable packing, has been completed.

EMPLOYMENT CONSIDERATIONS

When you are ready to advertise and hire, it's important to remember that the Equal Employment Opportunity Commission (EEOC) and other Federal, state, and local agencies which deal with employment require business practices which use fair selection and promotion procedures that comply with the Equal Employment Statutes. This means that selection, promotion, and employment procedures must not discriminate on the basis of race, sex, color, religion, or national origin.

Once you have decided to hire and have found prospective employees, you will have to be able to choose the one or ones you think will be best for the job.

The basic techniques of evaluation are (1) the interview, (2) the application form, (3) references, and (4) the trial period.

The interview is probably the real key to determining experience, abilities, and attitudes. Be sure you have a very clear description of the job to be done and any experience required, so that you know what you want to ask, and can answer the applicants' questions.

The basics of employment have to do with salaries, wages, and working conditions. You should be paying salaries which are comparable to those in similar businesses in your community. You can get comparisons by asking around--talking to business people, the County Extension Service, the State Employment Division, etc.--or by reading newspaper ads.

You might think that "salary" and "wage" mean the same thing, but they don't. A salary is a fixed amount of money paid weekly, monthly, etc., and not directly dependent on the number of hours worked. Wages are paid by the hour or by the piece in exchange for services.*

Working conditions include a wide variety of things, such as lighting, air, space, restrooms, noise, etc. They also include the conditions under which training is conducted.

Training is crucial, whether it's for driving a tractor, packing boxes, or answering a telephone. Employees need to know what they are expected to do and how you want them to do it. For instance, if an employee is responsible for answering the telephone, and you don't explain how you want it done, she or he can say "Jacobson's Flowers," "Jacobson's Nursery," "Jacobson's," "Nancy's," or just "Hello." You might think the right direction in which to drive equipment around the field would be obvious, but it isn't to someone used to doing it another way.

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*However, for the purposes of this handbook, "salary" and "wage" have been used interchangeably.

"Hidden" Costs of Hiring

The "hidden" costs of hiring are the things you might not think of at first, like Social Security, pension, or medical or life insurance payments you might have to make. Other costs might be discounts to employees, meals, lodging, paid sick leave and vacation time. There might be extra bookkeeping costs, or additional costs involved in trucking or handling of goods.

The most common fringe benefits which relate to the hidden costs of hiring involve sick leave, holiday and vacation pay, and special training or meetings. These costs, if properly planned, can be deducted as business expenses. Good management practices indicate that it can be to your advantage to attend special training sessions or meetings related directly to the kind of work you do, as you can deduct the cost of sending an employee or yourself to such sessions. Keep records of the costs, fees, transportation, and the like.

In special situations, if you carefully follow IRS rules, expenses for profit sharing, pension plans, or even bonus payments to employees may be deductible as business expenses. You should see an accountant or tax attorney about such possibilities. It might be to your advantage to set up a regular plan for income tax purposes.

As a final word, whatever kind of insurance you have for employees, there are two other things you should always have handy: a first-aid kit and a doctor's phone number in case of an emergency.

Hiring Family Members

Is it to your advantage to hire outsiders, or should your family members do the job? Kind and understanding family members can often be expected to work without regular pay. If you do have your family members work, though, you should set up some kind of system whereby they are required to do certain things for certain amounts of money--or they might not remain kind and understanding. All that you expect--duties, hours, and wages--should be clearly spelled out in advance rather than permitted to evolve haphazardly. If you plan carefully and have the job outlined and the rate of pay clear, there may be advantages in terms of business expenses, which otherwise might not be possible. Contact a professional accountant or tax attorney if you're considering regular jobs for family members.

Payments to children are legal for regular work at reasonable rates. They should deposit their pay into their own accounts. Children are exempt from Social Security taxes on wages until they reach age 21. Each youngster must file an income tax return if she or he earns more than $2,050 a year. But if a 4-H or Future Farmers of America (FFA) project nets a child more than $400, a tax return must be filed and Social Security paid on the self-employed income.

You can claim your youngster as a dependent on your tax return so long as: (1) you furnish more than one-half of the child's total support for the year and she or he does not reach the age of 19 during that year, or (2) the child is a full-time student for at least five months during the calendar year.

Often, the owner of a farm will employ the spouse for pay. A spouse can be put on the payroll and the amount paid can be claimed as a business expense. If you have a sole proprietorship, paying your spouse may seem an idle exercise in moving money from one hand to the other. However, you may save on state taxes because of the expense deductions. Sometimes, too, the spouse may be paid and the farm owner still be exempt from paying either Social Security or Federal unemployment tax on her or his earnings. You should check out the full Social Security impact as well as potential tax savings before the spouse is put on the payroll. If the spouse becomes disabled and can't work, the spouse could draw benefits from her or his own account. When the spouse retires, she or he will receive payments only for the larger account (the wife's or the husband's). Of course, divorce could change the picture and make it to the spouse's advantage to have an individual Social Security account.

If the spouse is paid, IRS regulations require that the payment be "ordinary and necessary business expense" and that the wage rate be "reasonable." Work must be performed, although no formal contract for payroll records is required. Contact your local IRS office for details.

SOCIAL SECURITY

This topic, like many in this handbook, in itself could fill several books. Programs include retirement insurance, survivor's insurance, disability insurance, hospital and medical insurance for the aged and disabled, black-lung insurance, supplemental security income, and unemployment compensation, as well as public assistance and welfare services.

The best way to find out specifically what you need to know about Social Security--coverage, costs of coverage, etc.--is to contact your local Social Security office.

If you are an employer, you are expected to contribute to the Social Security benefits of each employee. You will need to know how much those payments are, where to send them, and when they are due.

You probably already have a Social Security number. If you wish to find out your Social Security earnings record, file "A Request for Statement of Earnings" (Form OAR-704), and send it to the Social Security Administration, P.O. Box 57, Baltimore, Maryland 21203. They will mail you a statement of the total wages and self-employment income that have been credited to your earnings record.

Every employer is required to keep records showing:

1. Names, addresses, and occupations of employees receiving wages.
2. Amounts and dates of wage payments.
3. Employees' periods of employment.
4. Social Security numbers of employees.
5. The employer identification number (except in the case of household employees).

The employer must also keep duplicate copies of quarterly and annual returns, on which employees' wages are reported for Social Security purposes. These records must be kept for a period of at least four years after the date they are due or paid. Farm operators who utilize the services of crew leaders must include the name, home address, and employer identification number of the crew leaders.

Certain tax forms must be used by employers to report income tax withheld for employees.

There are special due dates for filing returns and paying the balance of the contributions (except for agricultural employees, who must file returns annually, on or before January 31, for agricultural wages paid during the preceding calendar year).

An employer must give employees written statements of Social Security contributions made whenever an employee's earnings are subject to those contributions. These statements must be given no later than January 31 of the year following that in which the wages were paid. If the employment ended before the close of the year, these statements must be given to employees no later than 30 days after the last wages were paid. Self-employed people have to report their earnings to the IRS and pay a self-employment contribution for Social Security coverage. Again, one should consult a Social Security office for specific information. There is an established percentage rate for retirement, survivor's, and disability insurance, and a separate rate for hospital insurance. For instance, for 1981-1985, the retirement, survivor's, and disability insurance rate is 7 percent, and the hospital insurance rate is 1.35 percent, making a combined rate of 8.35 percent of net earnings. From 1986 on, the combined rate will be 8.50 percent (7 percent and 1.50 percent).

Self-employed people report their earnings for Social Security when they file their Federal tax returns. If a self-employed person has net earnings below $400, there are some special requirements; for partnerships, a slightly different report is filed.

To correct a person's Social Security record, you need to get in touch with your nearest Social Security office. Do this if you have any questions about reports or credits to your account or about those of someone who works for you.

Earnings records can be corrected anytime up to three years, three months, and fifteen days after the year in which the wages were paid or the self-employment income was earned. To that time limit, there are some special conditions which could apply; again, check with the Social Security office.

The benefits from Social Security are so many and varied that even with a special Social Security handbook, most people have questions. There are special circumstances which apply, special time limits for completing forms, and different waiting periods for different programs. It is best to consult a professional early.

One Social Security benefit is hospital insurance, the details of which, in a Social Security handbook, cover at least 40 pages of very small print. Enrollment regulations alone cover about 10 pages and some of the specific hospital benefits are described in approximately 20 pages. You need professional help to sort through these kinds of regulations. If you employ more than half a dozen individuals in the course of a year, it is a good idea to get a copy of the Social Security handbook in case questions arise, and at least become familiar with the table of contents. Other than that, you are best advised to keep up with current changes and regulations by contacting the nearest Social Security office whenever there is a question. To find the address of the office nearest you, look in the telephone directory under Social Security Administration, or ask at your post office.

EMPLOYEE LAWS

A number of Federal and state laws concern employees, such as (1) minimum wage laws, (2) minimum working conditions and standards, and (3) minimum protection for health and welfare of employees.

The Fair Labor Standards Act may cover your employees. To find out, there are a number of publications you can consult. They are available from the local Wage and Hour Division of the U.S. Department of Labor. Different publications refer to overtime, exemptions, and specific businesses.

The Social Security Act requires an employer to help provide minimum employment benefits for employees, and each employee as well as the employer is required to contribute a certain amount per year.

Federal income tax legislation requires you to deduct income tax from employees' wages and salaries. The laws mandate that you collect the proper amount and turn it over to the government, the forms your employees must fill out are available from your nearest IRS office.

You also have to file Social Security (FICA) and withholding taxes each quarter, or, for agricultural employers, annually. There are some restrictions on the number of hours and types of work that minors may do, and usually, if they are under 16, they must obtain a work permit through their local school system or through the local employment office.

Workers' Compensation coverage is required for employees so that medical and hospital treatment is available if they are hurt at work. This can usually be provided through a State Insurance Fund or a private insurance broker.

EMPLOYEE RECORDS

You should keep individual records for each employee. Each employee's record card or sheet should list:

1. Name.
2. Address.
3. Telephone number.
4. Person to contact in case of emergency.
5. Social Security number.
6. Number of dependents.
7. Previous education and experience.

Your records should indicate the date that you hired the person, and the date she or he was last paid. It is also helpful to record, for each employee:

1. Gross earnings.
2. Social Security amounts.
3. Withholding tax.
4. Other deductions and benefits.
5. Net pay.

These records should be posted weekly, when the employee is paid, as they make it much easier to file quarterly and annual reports.

GETTING HELP

1. The local employment.
2. The Social Security office.
3. Your local library.

4. Your local college or community college. Ask for a faculty member who teaches courses in this area and look at the catalog to see what resources are offered.

5. Someone who is in a similar business. Ask friends if they know about someone who could help you. Talk to someone who has recently hired or fired employees, or expanded or changed the size of her or his operation.

6. Write letters to state and Federal agencies--IRS, OSHA, the State Employment Division, the U.S. Department of Labor (Wage and Hour Division), etc.

7. Check the Small Business Administration publications. Also ask banks, lending agencies, and other public agencies if they have resources or information about personnel, how to hire, where to find what the current rates of pay are, etc.

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FEDERAL TAXES

The thought of preparing tax returns strikes terror into the hearts of many. The task of wading through piles of paper scraps, old bills and receipts, trying to make some kind of order out of the chaos, is to some people downright depressing.

If you have felt this way about taxes, then you are normal, and we can move right along, beginning with a brief explanation of types of business organizations as they apply to taxes.

FORMS OF BUSINESS ORGANIZATION

1. Sole Proprietorship

This is the simplest form of business organization. If you engage in business on your own, you are considered a sole proprietor. Any income from this form of business is part of the total gross income received by the individual. The income from each of your businesses must be reported on a separate tax form, Schedule C (1040), if you are a sole proprietor. If you are a sole proprietor, you are probably liable for self-employment tax. You ordinarily will be required to file a declaration of estimated tax and to make estimated tax payments throughout the year.

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2. Partnership

The relationship existing between two or more persons who together carry on a business or trade is considered a partnership. There does not have to be a formal partnership agreement. Each person may contribute labor or skill, property or money, and expect to share in the profits and losses of the business.

The partnership must file its return on Form 1065, even though this type of business organization is not a taxable entity. Except for certain items that must be separately stated, the partnership must determine its income and file its return in the same way that an individual does.

3. Corporation

Associations, insurance companies, joint stock companies, trusts, and special partnerships can, for Federal income tax purposes, be considered corporations.

Forming a corporation involves a transfer of property or money or both, in exchange for capital stock in the corporation. This is usually carried out by the prospective shareholders.

A corporation must be registered in one of the fifty states. The corporation is considered to be a person under the law and liabilities are limited to the assets of the corporation.

There are detailed rules and regulations by which corporations must abide.

Unless it has been dissolved, a corporation must file an income tax return. After a corporation ceases doing business and is dissolved, it need not file an income tax return so long as it has not retained any assets.

EMPLOYER IDENTIFICATION NUMBER

Once you have formed a business, you should apply for a Federal employer identification number. An employer identification number is generally given to the person engaged in trade or business and should be shown on all documents, statements, and business returns.

Your Social Security account number must be used on your individual tax return (Form 1040), declaration of estimated tax (Form 1040-ES), and self-employment tax (Schedule SE, Form 1040).

The employer identification number should be shown on all forms other than individual tax returns. A trust or an estate, for example, could be considered a person other than an individual and thus require the employer identification number. You should get a new employer identification number if you have incorporated your sole proprietorship or partnership, and use it on all returns of the newly formed corporation.

To apply for an identifying number, use Form SS-4, available at any Internal Revenue Service office. Then, if you are applying for a Social Security account number, use Form SS-5.

TAX RETURN FORMS

Form 1040. This is the standard income tax return. You must list on it all taxable income, including your profit (or loss) from farming operations. You will also use it to list your exemptions and compute your tax.

Form 1040-ES. The purpose of this form is to declare an estimate of your tax. If at least two-thirds of your gross income is from farming, and you file your income tax return and pay your tax by March 1, it will not be necessary to use this form.

Schedule D. Your gains and losses from sales of capital assets are shown on this form.

Schedule F. This is designed for use by farmers filing on either the cash or the accrual bookkeeping method. On it you list all your farm income and deductions and determine your net farm profit (or loss).

Schedule SE. Sole proprietors are liable for self-employment tax and must, therefore, use this return.

Form 4797. If there has been a sale or exchange of business property, this form is used to report any gains or losses.

Forms 1099-INT and 1099-MISC. These are information returns and are used to report the total payments of $600 or more you make during the year to another person in the course of your trade or business. You should report interest payments of $600 or more on Form 1099-INT. Payments made for rents, royalties, commissions, fees, prizes, awards to non-employees, and other compensation, including payments to subcontractors, should be reported on Form 1099-MISC.

Form 940. This is the employer's annual Federal Unemployment Tax (FUTA) return, which must be filed on or before January 31 following the year in which you were subject to the FUTA tax. If you, as a farmer-employer, paid cash wages after December 31, 1977, for services performed after that date, you are required to pay FUTA taxes providing you meet either of these two criteria:

1. You paid cash wages of $20,000 or more in any calendar quarter during the current or preceding year to persons employed in agricultural labor.

2. You employed ten or more persons in agricultural labor for some portion of at least one day during each of 20 different calendar weeks.

These rules do not apply to spouses, to parents, or to children under age 21. Also, these rules do not apply to agricultural labor performed before January 1, 1980, by an alien who was admitted to the United States to perform agricultural labor under a contract to an employer but who returned to her or his own country upon completion of the contract.

Form W-2, Wage and Tax Statement. This form must be prepared for every employee to whom you paid cash wages subject to employee Social Security tax or from whose wages, in voluntary agreement with the employee, you withheld Federal income tax.

You must also give a W-2 form to every employee to whom you paid any amount for services, including the cash value of any payments that you made that were not in cash, if you are in a trade or business.

Form 1065. A partnership return, this form must be filed by all farm partnerships.

Form 1120. A corporation income tax return, Form 1120 must be filed by ordinary corporations.

Schedule C. Sole proprietors use this form to report their business income.

HOW THE IRS DEFINES FARMING

There are many different categories under which a farm can operate, such as the growing of fruit in orchards, ranches, or ranges, or the raising of stock, dairy cattle, poultry, and even fish.

If you are operating or managing a farm business as either owner or tenant for profit (or possibly loss), then you are considered a farmer.

The growing of timber is not considered farming, nor is operating a farm for recreation or pleasure. The key here is "profit," or the intent to make profit.

CREDITS AND WRITEOFFS

If your farm seems to fit the definition above, you may be able to deduct certain expenditures. These expenditures must have been made on land that is being used by you or your tenant for the purpose of farming.

One such expenditure category is for soil and water conservation and land clearing. This category also includes expenditures for the prevention of erosion. These costs are usually added to the cost or value of the land, but can be used as deductible expenditures for tax purposes. You are the person who decides which way will be best for your farming operation.

Here are some other expenditures the IRS considers legitimate:

1. The treatment or movement of earth, such as leveling, conditioning, grading, terracing, contour furrowing, or restoration of fertility.
2. The construction, control, and protection of diversion channels, drainage ditches, irrigation ditches, earthen dams, watercourses, outlets, and ponds.
3. The eradication of brush.
4. The planting of windbreaks.

There are some items in this area that the IRS does not let you deduct outright from your taxes. If you build any facilities that are subject to an allowance for depreciation, then you must recover your investment through annual allowances for wear and tear on these items. Some examples of these types of expenditures are water wells (pipe or tile), and wooden, masonry, metal, or concrete dams.

There is a limitation to the amount you may deduct for soil and water conservation. This is usually 25 percent of your gross income from farming during the year. However, it is still possible to deduct expenses used to maintain these structures, such expenses not being subject to this 25 percent limitation.

For instance, if you have constructed an irrigation ditch system on your farm, you can still deduct the cost of having the sediment removed each year. Similarly, you can deduct expenses such as interest and taxes, the cost of periodically clearing brush from productive land, and costs incurred primarily to produce an agricultural crop, even though these crops only incidentally conserve soil.

It would be wise to maintain a set of records so that you can show proof of these different types of expenditures. This will not only help you get the full deductions to which you are entitled, but will also impress the IRS should they ever audit your tax return.

There are also some expenses that are deductible if you are clearing land to make it suitable for farming. The removal of trees, stumps, and brush; the treatment or moving of earth; and the diversion of streams and watercourses are justified expenditures.

Jobs Tax Credit

Farmers who hire additional employees during the tax year can qualify for this credit. This is a tax incentive for the creation of new jobs and is covered by (are you ready for this?) the Tax Reduction and Simplification Act of 1977. Detailed information about this credit is provided in IRS Publication 902, Tax Information Jobs Tax Credit, available at your local IRS office.

Fuels Tax Credit

Do you use farming equipment that requires gasoline or lubricating oils? More specifically, do you use tractors or vehicles in places other than a highway? If you do, you may be entitled to a credit against your income tax for the Federal excise tax paid on this gasoline. This also includes diesel fuel and special motor fuels used on a farm for farming purposes

How about an example? Under this deduction, you are allowed a 4-cent credit per gallon of gasoline used for farm purposes. So, if you used 2,000 gallons of gasoline, you would be entitled to an $80 credit (2,000 gallons x 4 cents = $80). This gasoline should have been used during the tax year for which you are claiming the credit, but it is not necessary that the gasoline be paid for in order to make a claim.

The credit on diesel fuel is, for some reason (for which only the IRS could give an understandable answer), figured a bit differently. If diesel is used in a registered highway vehicle, your credit is 4 cents per gallon, but if it is used in an unregistered highway vehicle, your credit is only 2 cents per gallon.

If you don't want to bother with this type of credit, you have the option of purchasing your fuel tax free. This can be done if the dealer delivers fuel into your own storage tank(s), from which it can then be pumped.

You must claim the fuels tax credit against your income tax for the year in which the fuels were used. The period covered by the claim is your tax year and you take the credit on your income tax return.

In most cases, to claim your credit you need to fill out a form (Form 4136), but you may also attach a statement to your return showing how the credit was computed. Below is a brief explanation of the requirements for different types of organization.

1. Sole proprietorships. Even though you might not otherwise have to file an income tax return, you would have to file one in order to receive a fuels tax refund; use Form 1040.

2. Farm partnerships. Attach a statement to Form 1065, showing how much fuel each partner has used; then each partner should claim the credit on her or his individual income tax return.

3. Farm corporations. Claim the credit in the appropriate place on Form 1120.

Other Credits Against Taxes

Residential energy credit. If you have installed any energy-saving equipment in your home or farm, you may be able to claim a credit on your tax return.

This could include insulation, solar, geothermal, or wind-powered equipment. The rate of credit varies, depending on what type of energy-saving components you have installed. Further and more detailed information on tax credits can be found in IRS Publication 903.

Political contributions. If you have made any contributions to political organizations, you are entitled to claim credit against your Federal income tax. There is place on Form 1040 for this purpose.

DEDUCTIBLE BUSINESS EXPENSES

The following is a rather dry but possible eye-opening list of items that, under certain circumstances, may be used as justifiable deductions. This list was compiled by the J. K. Lasser Tax Institute; if you want to find out more about any particular entry, refer to Your Income Tax by J. K. Lasser, 1978 edition, Published by Simon and Schuster, New York, price $3.95 (tax deductible).

A CHECKLIST OF POSSIBLE DEDUCTIONS*

Accident insurance premiums in your business
Accounting and auditing expenses paid for:
  Keeping your books and accounts
  Preparing tax returns
Advertising expenses
Alterations and repairs on business or income-producing property
Appraisal costs for tax and business purposes
Attorney's fees in connection with your trade or employment for preventing actions that would reduce income-producing ability of property
Automobile, damages to
Automobile expenses incurred during business trips, trips for charitable organizations, and trips for medical care

Back pay, expenses to collect
Bad debts
Bank charges on business or farm accounts
Board and lodging given employees
Bonding premium (in business)
Bonus to employees
Bookkeeping expenses (business)
Business expenses and losses
Business overhead insurance premiums for insurance that pays your business operating costs if you are sick or injured

Campaign contributions
Carrying charges, as interest or taxes
Chamber of Commerce dues (business)
Charitable contributions paid to religious, charitable, scientific, literary, educational, and other organizations (including family foundations) which operate in the manner prescribed
Christmas presents and other holiday gifts to employees or customers or prospects when the practice in the trade forces you to compete with similar gifts. Limit to deduction is $15 per person.
Cleaning charges for windows, carpets, office furniture, equipment, draperies, etc., in your business
Clothing--uniforms, costumes, and working clothes--cost, laundering, and cleaning if required by your job and not adaptable to general wear by replacing your regular clothing

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Collection of income and business debts, expenses connected with
Commissions paid to brokers on sale of properties (deducted from sales proceeds)
Commissions to employees--for example, those paid to obtain business
Compensation paid employees and assistants
Containers and crates (business)
Court proceedings, cost of (business only), except when guilty of criminal offense
Credit bureau reports and service charges

Delivery and freight charges in your business
Depletion of natural deposits and timber
Depreciation on business or income-producing property
Discounts allowed customers
Drugs and medicines
Dues to:
  Clubs and associations to which your employer required you to belong in order to hold your job
  Professional societies
  Trade associations
  Unions

Education--tuition fees, books, traveling expenses, etc., if required to keep your employment or professional standards
Employment agency fees
Entertainment of customers
Expenses paid for the production and collection of income, and expenses to maintain, manage, and conserve property held for investment, even though there is no likelihood that it will ever be sold at a profit or otherwise be productive of income. Examples: office rent and supplies; traveling costs; depreciation on equipment and property held for income; insurance and bonding expenses; safe deposit boxes used for income-producing property; cost of maintaining property and depreciation on inherited residential property though neither occupied nor offered for rent, if there are attempts to sell the property; attorneys', accountants', and professional fees in the following cases: recover income-producing property, collect income such as rents or claims, determine rent under a percentage lease, eviction of a tenant, recover back pay, construct a will to determine the amount of a beneficiary's annual income, fight an assessment or secure the refund of your income, gift, or estate taxes.

Farm expense, if operated for profit
Fees paid:
  For passports on a business trip
  To secure admission to organized labor unions
  To secure employment under limits
Finance charges
Fire insurance premiums (on business or income-producing property)
Food and drinks (for business entertainment)

General sales taxes imposed on consumer
Gifts for business purposes, $25 limitation

Government employee's traveling expenses necessary to do the job
Group life insurance upon employees

Health expenses
Heating
Household or personal assets stolen or destroyed by fire or other casualty--
  amount (over $100 per casualty) not compensated by insurance

Income tax return, fees for preparing
Individual Retirement Account (IRA) contributions
Information, cost of obtaining, including cost of standard services for
  business, tax, or investment use
Injury benefits to employees (not compensated by insurance)
Insurance premiums on policies written in connection with your business
Interest you paid
Investment counsel fees
Involuntary conversion, loss

Job expenses
Joint venture losses

Labor expenses
Lawsuit expenses
Library expenses used only for business or profession
Livestock killed by authorities
Living costs on a business trip
Losses (except to the extent covered by insurance) arising from:
  - Abandoned property
  - Abandonment of worthless business machinery
  - Bad debts
  - Burglary (over $100 per theft of personal property)
  - Business operations
  - Capital assets, sale of
  - Casualties (over $100 per casualty)--such as fire, theft, storm, shipwreck, flood
  - Forced sales
  - Foreclosures
  - Forfeitures
  - Investments, worthless
  - Joint ventures, syndicates, pools, etc., participation in
  - Loans, uncollectible
  - Mortgaged property sold (business or investment)
  - Partnership operations
  - Profit-seeking transactions
  - Sale of inherited residence
  - Sales and exchanges of property

Magazines, technical or in waiting room of professional
Materials and supplies used in your business
Meals and lodging
Medical expenses in excess of 3 percent of adjusted gross income
Messenger service (for business)
Moving expense of business property
Moving expenses of employees

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Office maintenance expenses
Office rent you pay
Office stationery and supplies, including bills, cards, envelopes, labels, and letterheads
Ordinary and necessary expenses in your business
Outside salesperson's deductions

Payments to Workers' Compensation Funds
Plane fare for business trips
Points paid for loans under certain circumstances
Political contributions
Postage (in business)
Premiums on business insurance
Professional license fees
Property taxes
Publicity costs in your business

Real estate, expenses of rental or investment property
Real estate sales losses
Real estate taxes
Rebates on sales
Rental property, maintaining
Rents, including:
  Payment to cancel a lease on business property
  Payments assumed to secure tenants
  Payments for the use of:
    Business property
    Safe deposit box used primarily in connection with the business
Repairs of business or income-producing property
Repairs to a residence or property which you rent to others
Research and development costs in a business (special rule allows deduction over period of 60 months or more)

Salaries or other compensation for services paid
Sales taxes (general, city, state)
Salesperson's expenses
Scrapping of business property, losses caused by
Services of assistants
Social Security taxes paid by you as employer
Soil conservation costs (may be deducted currently or capitalized)
Stamp taxes, if in connection with business or production of income
Standard deduction
Stationery, supplies, and printing used in business and profession

Taxes paid (property, general sales, income, gasoline)
Technical magazines used in your business
Telegrams and telephones for business
Telephone cost, where you have a telephone at home solely to be called to work (you have no regular hours)
Tools, tires, and other assets used in your business having a life of less than a year
Transportation costs

Traveling and entertaining expenses
Traveling to get medical care
Traveling to look after income-producing property
Tuition costs

Uncollectible debts
Union assessments

Watch repair expenses--if watch is necessary on your job
Water damage to lake-front property (over $100 per casualty), when caused by a storm

Note: As you read through the rest of this handbook, you will find additional tax information pertinent to the topics under discussion.

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ESTATE PLANNING

The first thing in estate planning is to recognize that if you own anything you have an estate. The second is to realize that your estate will eventually be distributed and that planning is vital if you want to control that distribution. Otherwise, the state and Federal governments, patiently waiting in the wings with their own plans, will distribute it for you.

Everyone--even young couples who feel they don't own much--should therefore devise an estate plan. Planning becomes even more important when land and equipment are involved. With the rapid, sky-nudging rise in property values, estates can reach values once considered astronomical. Twenty years ago an estate of $250,000 was considered large. Today, the value of homes alone can push estates well toward or over the quarter-million-dollar mark without their owners being aware of it. The following figures, provided by the National Association of Realtors, are for existing single-family homes as of May, 1979.

LOCATION	MEDIAN COST	AVERAGE COST
United States	$55,900	$64,200
Northeast	$55,500	$65,200
North Central	$48,500	$52,300
South	$50,800	$58,800
West	$76,700	$87,800

An initial approach to estate planning is to locate a professional who knows about estate taxes and inheritance laws. You can get ideas from bankers, accountants, insurance professionals, friends, and business people with whom you work. Contact an attorney or a law firm and ask about a planning visit or a chance to review the costs and benefits of getting legal help. Be certain the attorney is familiar with current tax laws and revisions related to estates and inheritance. Ask if the firm or someone in the firm is familiar with the new tax laws. Remember, laws change, and a minor mistake could cost your heirs many thousands of dollars. Don't be timid--ask questions.

You should discuss the matter of fees with an attorney before beginning any sort of legal work. Fees are to be, can be, and should be discussed. This can be accomplished by telephone or at the first interview.

The cost of a general overview session in which you could get some estate-planning suggestions should be approximately $50 to $75. The cost of actually preparing an estate plan, perhaps involving trusts or investments and a will, depends upon the size of the estate and possible complications. Good legal advice can make a considerable difference later, so a few dollars spent carefully now can be a good investment for the future.

Certified public accountants and public accountants specialize in the handling of financial affairs, the preparation of tax returns, and the like. These individuals must be competent in current laws, regulations, and requirements. If the total of your annual operating budget, property and/or livestock sales is in the neighborhood of $50,000, you may wish professional assistance. Someone in your family may be able to keep the books, record expenditures and interest rates, and make the proper payments, but setting up a good records system for property that is valuable (and will grow in value) is worth professional help.

Bankers and insurance people can give you some ideas about the kinds of things other people in similar situations have done. Their advice, and that of an investment counselor, might also be helpful in terms of how to invest some of your money. (An investment counselor can also help you work out a plan for investing some of your cash reserves so that they will be available in case of a bad year, but yet not so convenient that you will be spending them in your annual operations.)

Before you visit a professional, do a little advance information gathering. It will save time. One attorney outlined the following items to take to a lawyer's office when you want to begin working on an estate plan:

1. A copy of your current will.
2. A rough outline of how you would like to dispose of your estate.
3. A description of the property. This means a complete description--legal size, tax lot numbers, dates of acquisition, location, and peculiarities (such as mountain terrain, lakes, rivers and streams, etc.).
4. How the property is held. Is it held as tenants in common, joint tenancy, or part of a corporation? Is it being held in trust? These all should be noted. (If you do not know how you own your property, check to see what the deed says, or obtain a copy of it and take it to your attorney.)
5. The basis of acquisition. Was the property a gift? Was it inherited? Was it purchased? What is the price or value (current value, assessed value, and current estimated market value)? What was the purchase price? If it is farm-use valuation, that should also be noted. If a family member operates a farm for at least five years under the "farm use" definition, there is a tax deduction that can be claimed.

WILLS

Making a will is one of the most important things you will ever do; it may be the single most important paper you'll ever sign. The next two items in this chapter emphasize and will help you realize that importance.

Questions and Answers About Wills

The questions and answers that follow are taken from Women and the Law, a handbook for Oregon women, researched and compiled by the Governor's Commission for Women.

Can anyone make a will?

Yes, if you are at least 18 years old or have been married, and are of sound mind.

Can I write my will myself?

Yes, if you are at least 18 years old and of sound mind. You must put your will in writing, and you must sign the will in the presence of two witnesses who must also sign the will.

Do I need a will if my husband has one?

Yes. Your husband's will has no effect at all on your property.

What happens to my property when I die if I don't have a will?

Your property will be distributed according to state law. This law is called intestate succession.

How will my property be divided if I die without a will? How does intestate succession operate?

The laws of intestate succession provide, in this order, that:

1. If your husband survives you and you have no children, your husband will inherit all of your property.
2. If your husband and your children survive you, one-half will go to your husband and one-half to your children.
3. If only your children survive you, they will inherit all of your property. If your children have died before you, your grandchildren will inherit your property.

4. If only your parents survive you, they will inherit your property.
5. If only your brothers and sisters survive you, they will inherit all of your property.
6. If only your grandparents survive you, they will inherit your property.
7. If none of the persons mentioned above survive you, the state will receive your property.

Must I have an attorney prepare my will?

You are not required to have an attorney prepare your will, but it is generally advisable because an attorney is qualified to deal with possible legal problems and tax questions.

Can my husband disinherit me?

Under Oregon law, for example, your husband cannot entirely disinherit you in his will. You are entitled to a minimum of 25 percent of his net estate even if he specifically directs in his will that you are to get nothing.

How will divorce affect my will?

If you have a will before your divorce, the divorce cancels all provisions of the will in favor of your former husband unless your will provides otherwise.

How will marriage affect my will?

Generally, if your new husband survives you, any will you had before you married is cancelled by your marriage.

This is not true if:

1. The will specifically provides that it is not to be cancelled by marriage.
2. It was drafted in contemplation of marriage
3. You and your prospective husband entered into an agreement before you married concerning your property.

Why Write a Will?

Why bother with a will, anyway? Caring is the fundamental reason. Whatever else it may be, however else defined, a will is, first and last, an act of love. The Research Institute of America has compiled some strong, human reasons for making a will:

- To dispose of your belongings to those whom you wish in the proportions you choose.
- To provide for your loved ones in the best possible way.
- To let all interested relatives and/or friends know your wishes.
- To make it easier for the recipients of your bounty to obtain and use what you leave and to avoid fights and irritations.
- To reveal aspects of your financial affairs that may be unknown to anybody else. (The very act of working up a will helps disclose loose ends that need to be tied up.)
- To ease the task of whoever is going to take care of minor children and to influence the choice of any guardian.
- To save many types of expenses. As just one illustration, if there are children under twenty-one and there is no will, the law may require the appointment of a guardian to protect these children. The guardian must be paid a fee, and that fee must come from the family's assets. A will could save that expense.

TRUSTS

Trusts can be an important part of your estate plan. A trust is an agreement whereby the person who establishes the trust gives property to a trustee to invest and manage for the advantage of the beneficiary. It is a highly flexible device that enables people to have a say in the use of their money after dying as well as while living. Most trusts are established for the benefit of a surviving spouse and children and must remain in effect for some years. Trusts can also help save on taxes and are frequently used as a means of protecting beneficiaries against their own inexperience in managing financial assets.

A trust can be used to permit a desired standard of living for your family, or to:

- Educate a minor child.
- Cover unexpected financial emergencies.
- Provide a lifetime income for spouse, child, or other relative.
- Prevent a youngster from "squandering" an inheritance, by specifying certain installments.
- Provide for a favorite charity.
- Achieve almost any type of personal or financial objective.

A trust is subject to many laws, and thus the laws governing your prospective trust depend on the state in which you live. There are two major kinds of trusts:

1. Living trust. This functions while you are alive. You may serve as your own beneficiary while living, with others named as beneficiaries after your death. Revocable and irrevocable trusts are types of living trusts. A revocable trust is established for a certain period of time, and has the provision that the grantor can change or cancel it. An example is the Ten-Year Revocable Trust (Clifford Trust) set up for the purpose of accumulating money to educate one's children or to care for one's elderly parents. An irrevocable trust cannot be altered or changed by the grantor once it is set up. It has greater tax advantages than the revocable trust has.
2. Testamentary trust. This is created by your will and begins functioning after your death, and after your will passes through probate (see the section on probate in this chapter).

Trust laws vary from state to state, so it is best to consult professionals in your own state.

Banks have trust departments with qualified individuals who can explain the variations that are available. Some trusts involve land, others involve stocks and bonds, and still others involve various combinations of property. There is a small fee charged for these services, usually about one-half percent of the gross value per year, but the services can be extensive. Depending upon what you want, services can include handling all affairs, paying taxes, and making decisions about operations, without involving the owner. Some individuals use trusts to avoid probate courts, which take time and money; other individuals use them in an attempt to save property for their heirs.

PRENUPTIAL AGREEMENTS (Also called Premarital and Antenuptial)

With life-styles changing, divorce rates rising, and women outliving men, there has been increasing interest in recent years in prenuptial agreements. These are especially important as a part of your estate plan when two sets of children are involved, as they ensure that certain property passes to certain heirs. Marriage nullifies old or existing wills, and gives rise to certain property rights for the surviving spouse (in Oregon, 25 percent of the estate) which, unless covered in a prenuptial agreement, might not be handled the way the owner intended.

For example, a widow with a 32-year-old son married a divorced man. Each owned a house and some property, but made no prenuptial agreement. The widow owned a mountain cabin, which she had promised to her son as a part of his inheritance. She died after being married two years, and her property went to her husband. He remarried a year later, and in so doing, nullified the will he had made with the widow. He didn't think to make a new one, and was killed in an accident within a few months. The new wife is now the owner of the property, including the deceased widow's, which includes the mountain cabin. She is under no legal obligation to give the cabin to the widow's son--she can keep it, or give it to someone else.

This illustrates the importance of a prenuptial agreement for persons who already have families, to ensure that property is given to the persons it is intended for, and is handled according to the donors' wishes.

A very important requirement of a prenuptial agreement is that it be made prior to marriage. One attorney told about a time a woman came into his office wanting to make a prenuptial agreement--but she had been married two weeks. It couldn't be done.

PROBATE

Probate is the supervised management of the estate of someone who has died. It includes filing the will, paying taxes and creditors, filing tax returns, distributing any remaining property to persons named in the will, and paying funeral expenses and other expenses of administering the estate. If no will has been made, any property which you own at the time of your death (which has not passed by survivorship to another person) becomes part of your estate and is distributed by probate court in accordance with the laws of intestate succession.

Probate costs can be increased and complicated if you own property in two or more states. Probate may be required in each state, especially if real property is owned in the state other than your residence.

Anything owned jointly goes automatically to the survivor; there is no need to go through probate, although the necessary Federal estate tax and state death tax returns must be filed.

DISCLAIMERS

A disclaimer is a refusal to accept a gift or inheritance, giving it to someone else, thus exempting yourself from paying taxes on it. Because of the complexity of regulations surrounding disclaimers, professional help is necessary (although many attorneys are not familiar with them, as they are not frequently used), and careful planning is essential. You generally cannot use this method with property which is jointly held or held in tenancy by the entirety--when the title is in both names. Disclaimers do, however, provide an opportunity in the appropriate situations for substantial tax savings.

THE UNIFIED TAX CREDIT*

The Federal government taxes any transfers of property without consideration (payment), or payment of fair market value. The tax on these transfers is called a Federal transfer tax. Transfers can occur in two ways: (1) through a gift, or (2) at death (inheritance).

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*Examples of tax rates throughout this section have been taken from Federal tax charts and are rounded for purposes of illustration. Actual rates may vary slightly.

Prior to the Tax Reform Act of 1976, there was an exemption of $60,000 for transfer of estates and an exemption of $30,000 for gifts. These exemptions were not subject to the Federal transfer tax. Since 1976, a unified tax credit has replaced both of these exemptions. The tax credit allows for $175,600 to be transferred without tax. This amount can be transferred through gifts during life, inheritance at death, or a combination of the two.

The unified tax credit became $47,000 in 1981. A taxable estate must total $175,600 or more to be subject to a Federal estate tax. The taxes due on that size estate are approximately $47,000; however, the unified tax credit of $47,000 results in no taxes due.

The taxes on an estate remain the same even though an estate is given to another during life, transferred at death, or some combination. Take, for example, Jane Jones, who has a taxable estate of $300,000:

- If she gave the entire estate away, the tax would be $84,200, less the $47,000 credit, leaving $37,200 due.*
- If she gave nothing away and died with the taxable estate of $300,000 going to her heirs, she would have the same tax of $84,200, less the $47,000, with $37,200 remaining.*
- If she gave a gift of $150,000 and died with $150,000 taxable estate, the gift tax would be $38,400, less the $47,000 credit, leaving $8,600 credit remaining. When she died, the remaining $150,000 estate would be taxed at $45,800 ($84,200 tax on total transfer of $300,000, reduced by $38,400 paid as gift tax). The remaining credit of $8,600 reduces the tax payable to $37,200.*

These three examples should point out that taxes remain the same whether the transfer is made during life or at death. There is one benefit in lifetime giving: If someone made a gift several years before death, the value of the gift might appreciate significantly and that increase would not be included in the remaining estate. This might be especially true of a gift of real property.

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*These examples are prior to computing state transfer taxes, and do not include annual gift exemptions, if gifts were made, and possible marital or other deductions, as discussed later.

For instance, suppose Ms. Jones gave away $150,000 of her land in 1977 and died in 1980. In the meantime, the value of the land increased to $300,000. The taxes on the gift would be as explained in the third example above: There would be a tax of $38,400 less the $47,000 credit at the time of the gift, leaving a remaining credit of $8,600. When she died, her remaining assets were $150,000 (she had given away land and kept cash). Taxes at her death would be $37,200.*

If she had retained the land, her estate at death, valued at $450,000, would have Federal tax of $130,400 less $47,000 credit, for a total of $83,400.*

As one's estate increases, the transfer tax percentage increases. For example:

Estate size	Federal tax	Average rate
$ 100,000	$ 23,800	23.8%
150,000	38,800	25.8%
200,000	54,800	27.4%

The rates increase at higher levels, similar to income taxes. Contact your local Internal Revenue Service office for rate schedules. Attorneys, bank trust officers, insurance agents who work in estate planning, and accountants also have these rate schedules.

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*These examples do not take into consideration state transfer taxes, and do not include annual gift exemptions, if gifts were made, and possible marital or other deductions, as discussed later.

TAXABLE ESTATE

What is a taxable estate? It is what remains after the allowable deductions. Individual states and the Federal government differ regarding allowable deductions.

Examples of deductions are: (1) administration and funeral expenses, (2) claims against the estate and obligations, (3) casualty and theft losses, (4) orphans' deductions, (5) marital deduction, (6) charitable deductions, and (7) gifts (less than $3,000 per person per year). The estate tax, as you can see, involves the amount of the taxable estate, the amount of the taxable gifts, as well as other possible adjustments. (Marital and gift deductions have been discussed elsewhere in this chapter.)

VALUATION OF ESTATES

Generally, estate assets are taxes by the Federal government, based on their fair market value for highest and best use as of the date of death.

You can choose an alternate valuation date, which would be fair market value as of six months after the date of death. This helps protect an estate from an unusually high market value. Generally, this applies to stocks.

A second method of valuation applies to farm or business assets if they comprise 50 percent of the adjusted estate. The property can be valued at its current use value rather than at the highest and best use. This might be especially helpful to farmers whose property is near city or industrial developments. The total estate cannot be reduced by more than $500,000.

If the land is disposed of within fifteen years, there are some Federal recapture provisions. Some of the taxes saved might have to be repaid in such an instance.

GIFTS

Making gifts of part of your estate is one way to reduce its size. You can make gifts of up to $3,000 per person per year, to an unlimited number of persons, regardless of blood relationship, on a tax-free basis.

If you are married, your spouse can also make gifts of up to $3,000 per person per year on a tax-free basis--or a total of $6,000 per couple per year.

You are not required to file a return if each gift is $3,000 or less, but you might want to file an informational return. Annual gifts of less than $3,000 per individual (donee) are not included in computing Federal transfer taxes.

For example, Ms. Jones (mentioned above) has four children. During a single year she could give $3,000 to each for a total of $12,000, which would be tax exempt. That same year, her spouse could also give $3,000 to each, and that $12,000 would also be tax exempt. A married couple with four children could give away $24,000 annually without a tax liability.

The value of any gift exceeding $3,000 per year is considered part of one's total estate. The Federal transfer taxes described earlier then apply.

MARITAL DEDUCTION

The marital deduction is another possible way to reduce the total transfer taxes. The Federal law concerning transfers to a surviving spouse provide for a deduction of (1) $250,000 or (2) 50 percent (whichever is greater) from the adjusted gross value of the estate. In other words, for estates larger than $500,000, the marital deduction would be one-half of the estate; for estates of $500,000 or less, the marital deduction would be $250,000.

For example, if an estate is valued at $550,000 and you subtract 50 percent, or $275,000, that leaves a taxable estate of $275,000. If an estate has a value of $300,000, you would subtract $250,000, leaving only $50,000 as taxable.

It is important to remember that in order to obtain the marital deduction, the property must actually pass to the surviving spouse. If Ms. Jones has a surviving spouse but elects to leave her estate to her children, there would be no marital deduction.

An example of the impact of the Federal marital deduction is as follows for Ms. Jones' $300,000 estate:

Gross estate	$300,000	
Claims against the estate and administrative expenses	(10,000)	
Adjusted gross estate	290,000	
Marital deduction	250,000	
Taxable estate	40,000	
Federal tax (est.)		$ 8,200
Unified tax credit		(47,000)
Tax due		-0-

In this case there was ample credit so that no tax was due. Of course, you never get a refund, even if your entire credit is not used, as in the above example.

MARITAL DEDUCTION TRUST

An estate planning term often referred to is the marital deduction trust. Although a brief discussion of the concepts incorporated in this estate planning tool has been presented, due to the importance of the marital deduction trust, it is worthwhile to provide more in-depth information about it.

The marital deduction trust incorporates the marital deduction and a trust. Its goal is twofold: (1) to minimize transfer taxes in passing property from a husband and wife to their children or other heirs and (2) to preserve a couple's assets so that they are available to support the surviving spouse until death.

This trust can only be established with separately held property. If a couple owns property jointly, joint ownership must be severed before such a trust could be established. Separation of jointly held property is highly complex and could result in additional tax liabilities if done incorrectly. Contact an expert attorney or accountant before you make any changes.

How does it work? Two trusts are involved. Let us look at Ms. Jones' $300,000 estate again. This time, Ms. Jones will leave her husband the maximum marital deduction. The $250,000 allowable is reduced by $175,600, the dollar equivalent of the $47,000 unified tax credit. The $175,600 is held in a separate trust (not the marital deduction trust). Ms. Jones' husband receives the net income for life from the trust plus any principal which seems necessary to maintain his standard of living as determined by the trustee. At Mr. Jones' death, any remaining assets of the $175,600 will be distributed as Ms. Jones directed in the trust.

The remaining assets of $124,400 ($300,000 less $175,600) are placed in the marital deduction trust. The assets of this trust are available to Mr. Jones to use as he pleases; any balance left in this fund will be distributed at Mr. Jones' death as he directs.

If Ms. Jones uses the trust outlined above:

Gross estate	$300,000	
Marital deduction	(124,400)	
Taxable estate	175,600	
Federal tax (est.)		$ 47,000
Unified tax credit		(47,000)
Tax due		-0-

Mr. Jones' estate

Gross estate (marital bequest)	$124,400		
Federal tax (est.)		$ 35,300	
Unified tax credit		(47,000)	
Tax due		-0-	
Total taxes due both estates:			-0-

If Ms. Jones had left her estate outright to Mr. Jones:

Gross estate	$300,000		
Marital deduction	(250,000)		
Taxable estate	50,000		
Federal tax (est.)		$ 10,600	
Unified tax credit		(47,000)	
Tax due		-0-	
Mr. Jones' estate			
Gross estate	$300,000		
Marital deduction	-0-		
Taxable estate	300,000		
Federal tax (est.)		$ 84,200	
Unified tax credit		(47,000)	
Tax due		$ 37,200	
Total tax due both estates:			$ 37,2

The advantage of the trusts is clear after examining the taxable estate of Mr. Jones in the two examples above. In the first, only $124,400 is taxed, even though Mr. Jones received the net income and necessary principal from the trust of $175,600. In the second, the full value of Ms. Jones' estate is subject to taxation again in Mr. Jones' estate.

GENERATION-SKIPPING TRANSFERS

Generation-skipping transfers should be considered for estates of $500,000 or more or when one's heirs have substantial estates of their own.

Prior to the Tax Reform Act of 1976, an individual could establish a trust which paid income to succeeding generations. The principal of the trust was not subject to any death taxes as the right to receive income passed from generation to generation. This is no longer possible.

Under the new laws, trusts of this type would be taxed in each generation, with one exception. Now, a parent can leave up to $250,000 in trust, with income to be paid to her child for life, and upon the child's death, the $250,000 would pass to the grandchild or grandchildren without being included in the child's estate.

For example, Ms. Jones' estate of $300,000 (mentioned earlier) had a Federal tax of $37,200. The following illustrations show the effect of using a generation-skipping trust, assuming Ms. Jones' child, Mary, also had an estate of $300,000:

If Ms. Jones leaves her estate outright to Mary:

Gross estate	$300,000	
Federal estate tax		$ 37,200
Mary's estate		
Personal	$300,000	
Inheritance ($300,000-$37,200)	262,800	
Total taxable estate	562,800	
Federal estate tax		115,300
Total taxes		$152,500

If Ms. Jones leaves all in trust to Mary, the daughter receives income and necessary principal for life:

Gross estate	$300,000	
Federal estate tax		$ 37,200
Mary's estate		
Personal	300,000	
Excess of trust assets over $250,000 ($262,800-$250,000)	12,800	
Total taxable estate	312,800	
Federal estate tax		41,100
Total taxes		$ 78,300

TAX SAVINGS BY USE OF TRUST ($152,500 less $78,300)	$ 74,200

In the first example, Ms. Jones' grandchild or grandchildren would inherit an estate originally valued at $600,000 less $152,500 of Federal taxes, leaving $447,500.

In the second example, Ms. Jones' grandchild or grandchildren would inherit an estate originally valued at $600,000 less $78,300 of Federal taxes, leaving $521,700.

DEFERRAL

It is possible to obtain a deferral of taxes from ten to fifteen years, depending upon the size of a closely held business or farm in relation to the total estate.

If the value of the closely held business or farm is 35 percent of the gross estate, or 50 percent of the adjusted gross estate, you can obtain a ten-year payout. If the value of the farm or business is 65 percent of the adjusted gross estate, you can obtain a fifteen-year payout, paying interest only for the first five years. The interest on the unpaid balance is paid at a Federal rate, which fluctuates but generally is more favorable than the commercial rate.

The purpose of the installment payment plan is to prevent a forced sale of a small business, farm, or ranch at unfavorable terms. The deferral allows the owner to continue in business while still paying the tax due.

STATE TRANSFER TAXES

State taxes may be due on the transfer of an estate, depending on the laws of the state in which you reside. In Oregon, death or gift taxes are charged at a flat rate of 12 percent on the taxable estate. As of 1981, taxes in that state begin on estates valued at $100,000 or more. After 1985, Oregon will have phased out taxes on gift or estate transfers. As of 1981, Nevada placed no taxes on gift or estate transfers.

Because each state varies somewhat, be sure to check your own situation according to the laws of the state in which the property is located. Generally, real property is taxed in the state where it is located; personal property is taxed in the state of residence of the party making the transfer.

The state tax amount must be paid in addition to the Federal transfer taxes described earlier in this chapter. For example, assuming Ms. Jones' $300,000 taxable estate was in Oregon:

Taxable estate	$300,000	
Less 1981 exemption	(100,000)	
Taxable estate	$200,000	
State tax owed (12%)		$24,000

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PROPERTY MANAGEMENT

Regulations affecting use of the land are a key element in considering land purchase or alterations for developing a specific piece of property. The regulations and the procedures for administering them differ widely from state to state, and among cities and counties within each state. Some agencies have a few simple requirements, while others have very complex and time-consuming regulatory processes. This chapter gives the reader insight into land-use planning and provides methods of obtaining needed information to minimize confusion and effort in dealing with land-related requirements. Keep in mind that this is general information, meant as an "awareness" guide only. Contact your local agencies for the specific requirements of your area.

HISTORY AND PHILOSOPHY OF PLANNING

The idea of choosing in advance a form and shape for a human settlement is as old as civilization. In America, early cities such as Washington, Philadelphia, Williamsburg, and Savannah were created with formal designs in mind for streets and open spaces, using major avenues, public buildings, or other landmarks as focal points.

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These early efforts were confined to public structures and facilities. Problems of health-related public works (sewer and water systems) and street planning increased as cities grew. In 1916, the city of New York enacted the first modern zoning ordinance, and cities began to address the question of land use and private property in a comprehensive manner. Though early efforts had been made to reduce blighted and unhealthy conditions in cities by regulating building coverage and density, New York's ordinance was comprehensive in that it covered most areas of the city. Many cities followed this example, resulting, inevitably, in a number of court cases. In 1926, the U. S. Supreme Court upheld the concept of zoning as a valid exercise of the "police power" of a local community, finding that the separation of various uses was related to the health and safety of the residents.

Since 1926, the world of planning and zoning has become almost infinitely complex, with the courts allowing greater leeway for governmental action as the problems of urbanization multiply. Most zoning-related laws are designed to be applied fairly and equally, with a reasonable relationship to a valid community need as upheld by the courts. However, variation and improper use of the power to zone do occur.

The philosophical basis of planning is that the living environment of all cities will be healthier and more pleasing as well as more efficient and less costly with advance planning. Planning requires inevitable restrictions on actions which may be taken by an individual or corporate property owner, or governmental bodies. Originally, planning included wide-ranging "cityscapes," or control of fire and health hazards.

As planning developed, so many more things were taken into account--from air and water quality, to city budgeting, to the technicalities of public works--that the ordinary citizen is hard pressed to follow the logic of the procedures. This leads us to the structure of the laws.

THE STRUCTURE OF PLANS AND ZONING LAWS

A "plan" is the overall general guide to land use. "Zoning" is the specific regulation of smaller units of land. When a jurisdiction puts a set of ideas about future land use in written and/or mapped form, a plan has been created (often called a comprehensive plan, general plan, or master plan). The process of creating it is the planning process. When, later, the jurisdiction is divided into different areas, with detailed regulations permitting different kinds of activities, a set of zoning regulations and a zoning map have been created. Zoning is much more specific than the plan, and is one of several tools available for carrying out the plan.

Plan documents ordinarily contain a data base, goals, and policies. The data base may describe several elements of the planning environment. These might include streets and transportation, water and sewer facilities, current land use, parks and recreation facilities, housing, population growth, economics, social services, etc. Not all of these will be found in every plan, nor is the list exclusive; there may well be others. These descriptions of the present situation allow local decision makers to write general goals for future development. Goals are then supplemented by policies and/or objectives, which are more specific statements about how to carry out the goals. For example, a county or regional government may decide, as a goal, that they wish to preserve prime agricultural land. The goal, with supporting policies, might read:

Goal: To preserve and maintain prime agricultural lands for food production and esthetic value.

Policy #1: Do not allow land-use changes that take prime farm lands out of production.

Policy #2: Initiate tax-relief measures for active farms.

Policy #3: Where farm lands are threatened by urban development, attempt to create low-density areas as buffers, reducing the conflicts of noise, dust, and odor.

Each of the policies might then include more detailed objectives and precise results to be achieved. Theoretically, the plan map would show future land uses that would carry out the intent of the statements. Not all plans follow this framework, but the general idea given above should permit recognition and understanding of the structure of local plans.

Zoning regulations are almost always confusing. They are also some of the driest and least interesting reading imaginable. Most zones are based on the idea of clean-cut districts, with regulations specifying building coverage, distance from buildings to property lines, types of businesses, industrial or residential uses allowed, etc. A few areas are experimenting with "performance standards," a means of shaping requirements to the needs and characteristics of a development and the surrounding property, rather than specifying them in advance. Performance standards deal with such items as noise, traffic, vibration, smoke or odor, and development density.

The format of the zoning document--the zoning ordinance--usually includes a section setting forth the types of zones in the community. It also includes sections on procedural matters, such as variances, amendments, enforcement, and special regulations applying to all or many zones and uses. There will likely be other topical sections, depending on the nature of controls in the local community.

There will usually be, for any given zone, a series of uses that are allowed outright, provided that certain requirements are met regarding such considerations as signs, setbacks from property lines, building height, lot coverage, and off-street parking. There may then be a series of activities allowed as conditional or special uses. These are permitted if the specific proposal or design fits the surrounding area. Public utility buildings and churches are typical conditional uses in a single-family residential zone, in which the only permitted use may be for a single-family dwelling or an accessory building, for agricultural purposes, and for parks or schools.

Contact the local planning office to learn the general location of vacant lands in particular zoning categories. See a realtor about the price and availability of various parcels. If appropriate lots or existing buildings for a desired use aren't available in a specific area, you may want to apply for a change in zone for a particular parcel. A zone change is a change in the zoning ordinance, and requires all the formal proceedings associated with ordinances. Zone changes are often very difficult to obtain, as the impact on the surrounding area and the logic of the change as it relates to the text and maps of the plan and zoning ordinance are the criteria involved. In short, a zone or plan change is, in most areas, a last resort, when suitable property for a development or business cannot be found elsewhere.

BASIC TYPES OF PLANNING APPLICATIONS AND PROBLEMS

How you approach and deal with the local planning process depends largely on the type of activity you propose. There are differences between urban and rural areas. All proposals require finding a suitable property in relation to price, planning and zoning, and location/access. If a new building is to be constructed, there may be building code regulations to deal with, in addition to matters concerning public facilities in an urban area or health and sanitation in rural areas. If you're using an existing building, you must be certain that the proposed use is in conformance with permitted uses. If it is a conditional use, purchase or lease should be contingent on approval of the conditional use proposed.

It often happens that something you want to do in constructing a new building, or even a garage or storage area, is in conflict with some part of the zoning regulations. It is possible to obtain a variance from the law in certain situations.

These variances are usually hard to get. As a general rule, it is wise to avoid situations requiring a use variance. Try to be sure your intended use meets existing zoning requirements.

A variance allowing deviation from requirements for setbacks from property lines, the amount of land covered by buildings, building height, etc., is termed an area variance. Area variances are granted when practical difficulties resulting from strict application of the law impose an unreasonable hardship on a property owner. Area variances are generally granted if (1) there are exceptional circumstances that are found on other properties in the zoning district, (2) conforming with the law would cause undue hardship, (3) there will not be a negative effect on surrounding properties if the variance is granted, (4) the hardship is not self-imposed, and (5) there is no unified opposition from adjacent property owners.

There are two last points to be made regarding types of situations or applications; one concerns non-conforming uses, the other involves esthetic and site-design standards. A non-conforming use is one which was established prior to the creation of the local zoning laws. An industrial facility in a retail commercial zone and a barber shop in a single-family residential zone are examples of non-conforming uses. The general planning principle is to encourage the discontinuation of this activity over time, but at present there is wide variation in what each area will allow property owners to do. Some zoning ordinances will not permit any expansion, while others will, provided that there is no increase in noise, traffic, etc.

Esthetic and site-design standards may cover anything from the type, size, and appearance of signs, to the landscaping, parking lot design, and access points onto a site, to the design and architectural features of structures. These controls are found with greater frequency in urbanized areas, but some of them are found in outlying communities and sparsely settled places as well.

It often takes a substantial investment of time and patience to cope with the bureaucratic preliminaries to what may often seem a very simple project. But a few basic steps will help determine what needs to be done: (1) Have a clear idea of what is intended. (Be able to answer these questions: What sort of business, office, or development? How large will it be? What are its locational and public-facility needs?) (2) Make a rough sketch. If a site has been selected, or is now under the applicant's control, it is extremely helpful to have a rough sketch of what is intended, including existing surrounding properties and buildings. (3) Visit the local planning office. If there does not seem to be an office for that purpose, the administrative offices of the local city or county can help. The person assigned to meeting the public at the planning office will be able to assist with basic questions regarding zones and regulations, and may be able to give you enough guidance to determine what steps need to be taken, or whether the use is permitted and in compliance with all planning and zoning laws. (4) Be sure you have necessary clearances or approvals or certificates, etc., before you set up your business or complete your property purchase.

It is especially important at the beginning to seek out all the information that may affect the proposal. Begin with planning and zoning, since the allowable uses of property or buildings must be resolved before other problems can be explored. The next step, depending on the specific situation, may be the office that administers building and construction regulations, or the public works office for street and utility matters, or the sanitation office if sewer systems are not available. The staff person in the planning office can be an important source of procedural help. There are always means of gathering further information or appealing an administrative decision. The local government staff is obligated to provide the public with the information needed and to have interpretations or procedures clarified by senior staff people or, ultimately, by the planning commission or governing body of the local government.

HUMAN AND POLITICAL FACTORS IN THE PLANNING PROCESS

The attitudes of staff people you encounter as you begin a new business or development project are part of a complex relationship between the law and political and structural features of the local government. The planning department serves as staff to the governing body, and also to citizens involved in planning as part of a planning commission. If you're unfamiliar with local government and its paid workers, you may have trouble separating staff opinions from local or state law. Some citizens come away from a planning office (or any other government office) feeling that the local government is trying to obstruct, delay, or completely stop what they want to do. On the other hand, staff people might not adequately inform the public about current views at the commission and governing body level on such matters as the rate and type of growth, the kinds of business, industry, and residential development that are favored in the area, etc. Ask about current matters, and consult a professional planner, a lawyer, an engineer, or a person familiar with local affairs. These people, in addition to staff, can give a picture of the history of planning and development, as well as the state of the local economy.

The principle that should guide anyone investing in a community is thoroughness. Investigation of the possibilities and potential pitfalls in advance will save money and disappointment later. The sequence of steps taken (deciding on the venture, looking for a place to do it, receiving the necessary approval, coping with plans and financing, etc.) should be approached with an open mind, patience, and the desire and ability to gather the information needed. A certain amount of flexibility in the face of local attitudes and laws is essential, but persistence, assertiveness, and adequate preparation are no less important. The guiding principle is "ask," and if you're still uncertain, "ask again."

GETTING HELP

1. Gather as many free resources as you can. Read newspaper ads, call libraries, financial agencies, savings and loan companies, the Farmers Home Administration, etc., to find out what they currently have.

2. Call banks and ask if they have someone who could give you professional advice.

3. Contact a law firm and ask who handles property management matters and what types of services they offer.

4. Look in the phone book under Real Estate Management and Legal Services, and make some calls to find out what services are available and what some costs might be.

5. Ask others who are already successful. Interview them about what ideas or things have worked well for them.

6. Let your friends and other people know that you are interested in gaining information.

7. Check with the County Extension Service, state management associations, or commercial development institutes. Write to your state government or representatives and senators to find out what state resources and services are available. Make your governmental agencies responsive to your needs. Write to your senators and representatives and ask them what Federal resources might be available.

8. Watch newspaper and magazine ads and write or call for further information, asking for costs when you don't already know them.

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Checklist for Profit Watching (Small Marketers Aids #165)
Danger Signals in a Small Store (Small Marketers Aids #141)
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Planning and Goal Setting for Small Business (Management Aids #233)
Six Methods for Success in a Small Store (Small Marketers Aids #127)
What Is the Best Selling Price? (Management Aids #193)
The above booklets are free by writing to the above address or by calling toll free 800-433-7212 or (Texas only) 800-792-8901.
The following booklets are also published by the Small Business Administration, and are for sale by the Superintendent of Documents, Government Printing Office, Washington DC 20402:
Guides for Profit Planning (Small Business Management Series #25). $1.90.
Guides for computing and using the break-even point, the level of gross profit, and the rate of return on investment. Designed for readers who have no specialized training in accounting and economics.
Handbook of Small Business Finance (Small Business Management Series #15). $1.50.
Written for the small business owner who wants to improve financial management skills. Indicates the major areas of financial management and describes a few of the many techniques that can help the small business owner.
Managing for Profits (Nonseries Publications). $2.75.
Ten chapters on various aspects of small business management, for example, marketing, production, and credit.
Strengthening Small Business Management (Nonseries Publications). $2.75.
Twenty-one chapters on small business management. This collection reflects the experience which the author gained in a lifetime of work with the small business community.

Spiro, Herbert T.: *Finance for the Nonfinancial Manager*, Wiley-Interscience, New York, 1977. $15.95.
A rather technical book for those who have had no professional training in finance, but need a working knowledge of the subject. Discusses the balance sheet, income statement, depreciation, financial planning, cash flow, credit management, banking relationships, etc.

Tobias, Andrew: *The Only Investment Guide You'll Ever Need*, Harcourt Brace Jovanovich, New York, 1979. $5.95.
Helpful information about investing--with a touch of humor.

2. CREDIT

Bank of America, Box 37128, San Francisco, CA 94137: Managing Your Credit, 1978. Free.
Fact sheet that describes some credit management principles and techniques, including sizing up your current credit situation, recognizing danger signals, knowing personal credit limits, keeping track, using charge accounts, and understanding consolidation loans.

______:What's in Your Credit Report? 1979. Free.
Fact sheet telling what information is likely to be in your credit report, how it's collected, filed, and communicated, and how your rights are protected by law.

Board of Governors of the Federal Reserve System, Washington DC 20551: The Equal Credit Opportunity Act and . . . Women, 1977. Free.
Pamphlet describing the provisions of the Act that apply to sex and marital status. Includes sections on applying for credit (questions about your sex or marital status), rating you as a credit risk, and establishing a credit history. Also lists the Federal enforcement agencies.

Citibank, Public Affairs Department, 399 Park Avenue, New York, NY 10022: Borrowing Basics for Women. Free.
What you should know about credit. Also includes a glossary.

Commercial Credit Corporation, Public Relations Department, 300 St. Paul Place, Baltimore, MD 21202: Women: To Your Credit. Free.
Contains information on the Equal Credit Opportunity Act, tells how to establish creditworthiness and a credit record, and points out certain problems women borrowers face.

Consumer Information Center, Pueblo, CO 81009: Consumer Credit Handbook, 1978. Free.
Explains how consumer credit laws can help you shop and apply for credit; tells you what creditors look for, and what to do if you are denied credit.

______:Credit Shopping Guide, 1979. $1.00.
A pocket-sized guide showing how to compare finance charges. Includes complete charts of monthly payments on loans for homes, cars, home improvements, etc.

______:Fair Credit Reporting Act, 1979. Free.
Tells how to find out about your credit rating and how to ensure the information is correct.

Credit Union National Association, Box 431, Madison WI 53701: Credit Unions: What They Are, How They Operate, How to Join, How to Start One. Free.
Describes credit unions and their functions.

Federal Trade Commission, Washington DC 20580: The Fair Credit Billing Act. Free.
Explains rights and responsibilities under this Act in easy-to-understand language.

______: Know Your Rights Under the Fair Credit Reporting Act: A Checklist for Consumers. Free.

______: Women and Credit Histories, 1978. Free.
Deals with the problems women face in obtaining credit. Includes a checklist for establishing your own credit history, and a form to be sent to creditors to have the credit history information on your existing accounts be reported to credit bureaus in both spouses' names.

Household Finance Corporation, Money Management Institute, 2700 Sanders Road, Prospect Heights, IL 60070: Managing Your Credit, 1978. 50¢.
Contains discussions of understanding consumer credit (pros and cons, cost of credit, creditworthiness, comparing credit charges, sources of cash credit, and credit agreements) and managing credit dollars (deciding on whether you can afford credit and whether you should use it, shopping for credit, and handling financial difficulties). Also includes suggested resources and a glossary.

National Commission on the Observance of International Women's Year: Credit--A Workshop Guide, 1977. For sale by the Superintendent of Documents, Government Printing Office, Washington DC 20402.
A guideline to assist in organizing workshops on Women and Credit, consisting of background information on the Equal Credit Opportunity Act, a glossary of credit terms, and a list of Federal enforcement agencies. Also included in the guide are a list of possible speakers and a publications list.

National Foundation for Consumer Credit, Federal Bar Building West, 1819 H Street NW, Washington DC 20006: Here's How to Get More Value Out of Every Dollar You Earn
How Much Are You Really Worth?
How Much Credit Can You Afford?
The above brochures are free.
The following pamphlets are 25¢ each:
Consumer Credit
The Emergency Problem, What to Do About It
Establishing Good Credit
The Forms of Credit We Use
Measuring and Using Our Credit Capacity

Small Business Administration, PO Box 15434, Fort Worth TX 76119:
The ABC's of Borrowing (Management Aids #170)
Credit and Collections (Management Aids #232)
Sound Cash Management and Borrowing (Small Marketers Aids #147)
Retail Credit and Collections (Small Business Bibliographies #31)
Understanding Truth-in-Lending (Small Marketers Aids #139)
The above booklets are free by writing to the above address or by calling toll free 800-433-7212 or (Texas only) 800-792-8901.

3. RECORDKEEPING

Consumer Information Center, Pueblo, CO 81009: Keeping Family-Household Records--What to Discard, 1978. Free.
Lists documents you should keep, and tells you when to use a safe deposit box.

_______:Where to Write for U.S. Birth and Death Records, 1978. Free.
Tells you addresses for state and territorial offices, how far back the records go, and what copies cost.

Ekonomik Systems, PO Box 11413, Tacoma WA 98411:
Publishes easy-to-use disbursement journals for small businesses, farmers, ranchers, and individuals. For sale by the company and at many banks.

Internal Revenue Service, Department of the Treasury, Washington DC:
Tax Information on Depreciation (Publication #534)
Recordkeeping for a Small Business (Publication #583)
Recordkeeping Requirements and a Guide to Tax Publications (Publication #552)
Tax Information on Accounting Periods and Methods (Publication #538)
Single copies of the above publications may be obtained free of charge by calling or writing your local IRS office.

National Society of Public Accountants: Portfolio of Accounting Systems for Small and Medium-Sized Businesses, Volumes 1 and 2, Prentice-Hall, Inc., New Jersey, 1969.
Intended for experienced accountants. Each chapter presents a model accounting system for a particular business, such as a beauty shop, farm, or shoe store.

Small Business Administration, PO Box 15434, Fort Worth TX 76119:
Accounting Services for Small Service Firms (Small Marketers Aids #126)
Analyze Your Records to Reduce Costs (Small Marketers Aids #130)
Getting the Facts for Income Tax Reporting (Small Marketers Aids #144)
Keeping Records in Small Business (Small Marketers Aids #155)
Recordkeeping Systems--Small Store and Service Trade (Small Business Bibliographies #15)
The above booklets are free by writing to the above address or calling toll free 800-433-7212 or (Texas only) 800-792-8901.
The following booklet is also published by the Small Business Administration, and is for sale by the Superintendent of Documents, Government Printing Office, Washington DC 20402:
Financial Recordkeeping for Small Stores (Small Business Management Series #32). $2.50.
Written primarily for the small-store owner or prospective owner whose business doesn't justify hiring a full-time bookeeper.

4. BUSINESS REGULATIONS

Entries containing information about business regulations may be found in other sections of the bibliography, particularly in Personnel and Taxes.

5. PERSONNEL

Department of Labor, Bureau of Labor Statistics, Washington DC:
Employment and Earnings. $18/year, single copies $1.50, for sale by the Superintendent of Documents, Government Printing Office, Washington DC 20402.
Comprehensive monthly report on employment, hours, earnings, and labor turnover by industry, area, occupation, etc.
Monthly Labor Review. $16/year, single copies $1.40, for sale by the Superintendent of Documents, Government Printing Office, Washington DC 20402.
Contains current statistics, new developments in industrial relations, analysis, court decisions, and book reviews.

Department of Labor, Employment Standards Administration, Wage and Hour Division, Washington, DC: Handy Reference Guide to the Fair Labor Standards Act, 1977. Free from the Division's local offices. Provides general information about the application of the Fair Labor Standards Act Includes sections on basic wage standards, employees who receive tips, equal pay provisions, child labor provisions, recordkeeping, computation of overtime pay, and recovery of back wages.

Internal Revenue Service, Department of the Treasury, Washington DC:
Filing Requirements for Employee Benefit Plans (Publication #1048)
Withholding Taxes and Reporting Requirements (Publication #539)
Single copies of the above publications may be obtained free of charge by calling or writing your local IRS office.

Small Business Administration, PO Box 15434, Fort Worth TX 76119:
Delegating Work and Responsibility (Management Aids #191)
Management Checklist for a Family Business (Management Aids #225)
Personnel Management (Small Business Bibliographies #72)
Pointers on Preparing an Employee Handbook (Management Aids #197)
Problems in Managing a Family-Owned Business (Management Aids #208)
Staffing Your Store (Small Marketers Aids #162)
The above booklets are free by writing to the above address or calling toll free 800-433-7212 or (Texas only) 800-792-8901.
The following booklets are also published by the Small Business Administration, and are for sale by the Superintendent of Documents, Washington DC 20402:

Human Relations in Small Business (Small Business Management Series #8). $1.60.
Discusses human relations as it involves finding and selecting employees, developing them, and motivating them.
Personnel Management Guides for Small Business (Small Business Management Series #26). $1.10.
An introduction to the various aspects of personnel management as they apply to small firms.

6. FEDERAL TAXES

Internal Revenue Service, Department of the Treasury, Washington DC:
Farmer's Tax Guide (Publication #225), published annually.
Explains how the tax laws apply to farming situations. Gives examples and illustrations showing how various items should be reported on your Federal income tax return.
Tax Guide for Small Business (Publication #334), published annually. Designed to answer specific questions about Federal tax laws as they apply to business operation.
Your Federal Income Tax (Publication #17), published annually. Takes you through each part of the return, giving explanations of the tax laws that deal with the treatment of such items as salaries and wages, interest and dividends, rental income, capital transactions (such as sales of investment property), the standard deduction and itemized deductions, and adjustments to income (including moving expenses and employee business expenses).
Other IRS publications include:
Business Use of Your Home (Publication #587)
Circular A, Agricultural Employer's Tax Guide (Publication #51)
Circular E, Employer's Tax Guide (Publication #15)
Computing Your Tax Under the Income Averaging Method (Publication #506)
Corporations and the Federal Income Tax (Publication #542)
Federal Fuel Tax Credit or Refund for Nonhighway and Transit Users (Publication #378)
Information on Self-Employment Tax (Publication #533)
Miscellaneous Deductions and Credits (Publication #529)
Tax Information on Business Expenses and Operating Losses (Publication #535)
Tax Information on Cost or Other Basis of Assets (Publication #551)
Tax Information on Depreciation (Publication #534)
Tax Information on Jobs Tax Credit (Publication #902)
Tax Information on Partnership Income and Losses (Publication #541)
Tax Withholding and Declaration of Estimated Tax (Publication #505)
Taxable Income and Nontaxable Income (Publication #525)
Single copies of the above publications may be obtained free of charge by writing or calling your local IRS office.

Joint Committee on Taxation: General Explanation of the Revenue Act of 1978, 1979. For sale by the Superintendent of Documents, Government Printing Office, Washington DC 20402.
Explains the Revenue Act of 1978, providing the legislative history, summarizing the various provisions, presenting the general reasons for the legislation, and containing the revenue estimates on the legislation as finally enacted.

Lasser Tax Institute: J. K. Lasser's Your Income Tax, Simon and Schuster, New York, published annually. $3.95 (paperback).
A complete tax guide written in a direct and easy-to-read style. It alerts you to decisions favoring taxpayers which may not be presented in IRS publications. Suggests ideas, plans, and opportunities for maximum tax savings, and reflects new laws, current IRS regulations and rulings, and recent court decisions. Aids in investment and in business and personal decisions affecting Federal income taxes.

National Planning Association, 1606 New Hampshire Avenue NW, Washington DC 20009: The Effects of Federal Income Taxes on the Structure of Agriculture, Pamphlet 131, 1972.
A report that examines recent changes in Federal tax laws and how they may affect farm business organization. Makes recommendations for improvements.

Small Business Administration, PO Box 15434, Fort Worth, TX 76119:
Incorporating a Small Business (Management Aids #223)
Selecting the Legal Structure for Your Business (Management Aids #231)
Steps in Meeting Your Tax Obligations (Small Marketers Aids #142)
The above publications are free and may be obtained by writing to the above address or calling toll free 800-433-7212 or (Texas only) 800-792-8901.

U.S. House of Representatives: Revenue Act of 1978 Conference Report. For sale by the Superintendent of Documents, Government Printing Office, Washington DC 20402.
A detailed and very complicated outline of new tax provisions that may affect personal and business income tax reporting.

7. ESTATE PLANNING

American Institute for Economic Research, Great Barrington, MA 01230:
How to Avoid Financial Tangles, Section A, 1976. $1.00.
Discusses elementary property problems and important financial relationships.

______:How to Avoid Financial Tangles, Section B, 1977. $1.00.
Discusses taxes, gifts, and help for the widowed person.

Ashley, Paul P.: *You and Your Will: The Planning and Management of Your Estate*, McGraw-Hill, Inc., New York, 1975. $13.95. (1977 paperback, $1.95, NAL.)
General introduction to estate planning.

Internal Revenue Service, Department of the Treasury, Washington DC:
Computing the Interrelated Charitable, Marital, and Orphans' Deductions and Net Gifts (Publication #904)
Federal Tax Guide for Survivors, Executors, and Administrators (Publication #559)
Guide to Federal Estate and Gift Taxation (Publication #448)
Highlights of the 1978 Changes in the Tax Law (Publication #553)
Tax Information on Individual Retirement Arrangements (Publication #590)
Tax Information on Self-Employed Retirement Plans (Publication #560)
Single copies of the above publications may be obtained free of charge by writing or calling your local IRS office.

Lane, Laura: *Estate Planning Idea Book*, Farm Journal, Inc., Philadelphia, PA, 1978. May be ordered by sending $16.95 plus 70¢ delivery to Estate Planning, *Farm Journal*, Box 1927, Philadelphia, PA 19105.
Designed to help farm and ranch families, wives, husbands, widows, widowers, and the never married. Points out advantages and disadvantages of partnerships, corporations, and joint tenancy ownership. Covers taxes, a wife's property rights, trusts, and many other subjects. Uses case histories.

U.S. National Bank of Oregon, the Trust Group, PO Box 3168, Portland OR 97208: *Analysis of Estate and Gift Tax Reform: Tax Reform Act of 1976.*
Summarizes and explains the important and far-reaching changes in estate and gift taxes as brought about by the Tax Reform Act of 1976.
The Trust Group's other publications include:
Estate Profile
Joint Ownership: Is It Right for You?
Joint Property: Burden or Benefit?
Twenty Questions and Answers About Wills

Wayne Hummer & Company, 175 West Jackson Boulevard, Suite 1700, Chicago IL 60604: *Estate Planning Questionnaire*, 1976. Free.
Helpful form to aid you in assessing your estate-planning needs and situation. Will save attorney's time.

8. PROPERTY MANAGEMENT

Department of Agriculture, Agricultural Research Service: How to Control Wind Erosion, 1977. For sale by the Superintendent of Documents, Government Printing Office, Washington D.C. 20402.
Discusses factors affecting wind erosion, control on dry land cultivated soils, control on irrigated lands, control on vegetable and specialty crop lands, control on grazing lands, and other problem areas.

______:Managing our Environment: A Report on Ways Agricultural Research Fights Pollution, 1972. 65¢. For sale by the Superintendent of Documents, Government Printing Office, Washington DC 20402.
Contents include chapters on protection of land, water, and waterways; management of farm wastes; and new ways to fight pests--alternatives to pesticides.

Department of Agriculture, Soil Conservation Service: Our American Land: Use the Land, Save the Soil, 1973. 25¢. For sale by the Superintendent of Documents, Government Printing Office, Washington DC 20402.
A booklet discussing soil surveys, soil conservation, and conservation practices and plans.

9. GETTING STARTED

Clark, Leta W.: How to Open Your Own Shop or Gallery, St. Martin's Press, New York, 1978. $8.95.
What you should know about starting and operating your own small business. Includes chapters on Money: How Much You Need and How to Get It; Organization: Obtaining Licenses; Taxes: Easy Ways to Prepare Your Own. Also includes sample forms, letters, and applications for loans.

Scher, Les: Finding and Buying Your Place in the Country, Collier Books, New York, 1974. $6.95 (softcover).
Covers most aspects of the purchasing of real estate, from locating it to escrow.

Small Business Administration, PO Box 15434, Fort Worth TX 76119: Starting and Managing a Small Business of Your Own (Starting and Managing Series #1), 1973. $2.40. For sale by the Superintendent of Documents, Government Printing Office, Washington DC 20402.
Important points to consider concerning many phases of business, asking such questions as: Are you the type? How much money? What are the advantages and disadvantages? Also includes special laws and regulations, and checklists.

Also available free from the SBA are the following publications:
Checklist for Going into Business (Small Marketers Aids #71)
Women and the U.S. Small Business Administration
Women's Handbook: How SBA Can Help You Go into Business
The above publications may be obtained by writing to the above address or calling toll free 800-433-7212 or (Texas only) 800-792-8901.

10. GENERAL

Castle, Emery N., Manning H. Becker and Frederick J. Smith: Farm Business Management: The Decision-Making Process, Macmillan Publishing Co., Inc., New York, 1972. $12.95.
A college textbook that covers many aspects of farm management, organization, and production.

Filkins, James H. and Donald L. Caruth: Lexicon of American Business Terms, Simon and Schuster, New York, 1973.
Defines over 3,000 words--from A.B.A. to Zyglow.

Porter, Sylvia: Sylvia Porter's Money Book: How to Earn It, Spend It, Save It, Invest It, Borrow It--And Use It to Better Your Life, Avon Books, New York, 1976. $6.95 (paperback).
A comprehensive guide to money management, filled with information.

Stillman, Richard J.: Money Wise: The Prentice-Hall Book of Personal Money Management, Prentice-Hall, New Jersey, 1978. $14.95.
Can be used as a source of quick reference, or to help you set up your own money management program. Includes chapters on How to Achieve Financial Health; Insurance and Social Security; Growth Potential Investments; and Taxes, Retirement, and Estate Planning.

11. GUIDES, DIRECTORIES, AND CATALOGS

Coman, Edwin T. (editor): Sources of Business Information, University of California Press, Berkeley, CA, 1964. $8.50.
The purpose of this book is to aid the business person in locating information and statistics. It lists periodicals, handbooks, trade magazines, etc., according to subject.

Consumer Information Center, Pueblo, CO 81009: Consumer Information Catalog, published quarterly. Free.
Lists selected publications from almost 30 different Federal agencies on such subjects as money management, health, food, and nutrition. Approximately half the publications are free; the others are available at a small cost.

Department of Commerce, Business and Defense Services Administration: Marketing Information Guide. $2.50/year. For sale by the Superintendent of Documents, Government Printing Office, Washington DC 20402.
Contains an annotation of selected current publications and reports, with basic information and statistics in marketing and distribution.

U.S. Department of Education, Office of Consumer Affairs: Directory of Federal Consumer Offices, 1978. Single copies are available free from the Consumer Information Center, Pueblo, CO 81009. Lists the office to contact regarding problems with or questions about advertising, banks, Social Security, taxes, etc. Some toll-free numbers are also listed. Also available: Directory: Federal, State, County and City Government Consumer Offices. 85¢. For sale by the Superintendent of Documents, Government Printing Office, Washington DC 20402.

Department of Labor, Employment Training Administration, Bureau of Apprenticeship and Training: Directory for Reaching Minority and Women's Groups, 1979. For sale by the Superintendent of Documents, Government Printing Office, Washington DC 20402. Lists 5,000 names, addresses, and telephone numbers of institutions and organizations for assistance in reaching minority and women's groups. Included are Federal, state, county, and municipal agencies, and community action, civil rights, human resource, educational, and business groups.

Internal Revenue Service, Department of the Treasury, Washington DC: Catalog and Quick Index to Taxpayer Information Publications (Publication #900), published annually. Single copies may be obtained free of charge by writing or calling your local IRS office.
Lists both numerically and by subject matter the many free publications of the IRS. Also lists publications in which you will find the sample filled-in forms and schedules.

National Directory of Addresses and Telephone Numbers, Bantam Books, New York, 1977. $9.95.
A large book containing the 50,000 most-wanted addresses and telephone numbers in the United States.

Office of the Federal Register, National Archives and Records Service, General Services Administration: Government Manual, published annually. $6.50. For sale by the Superintendent of Documents, Government Printing Office, Washington DC 20402.
Official handbook of the Federal government, describing the purposes and programs of most government agencies. Also lists key officials. Briefer statements are included for quasi-official agencies and certain international organizations.

Small Business Administration, PO Box 15434, Fort Worth TX 76119: Basic Library Reference Sources (Small Business Bibliographies #18). Free.
Contains basic business directories, guides, and reference sources that are available in most libraries.

______:For Sale Booklets (115B). Free.
Lists Small Business Management Series, Starting and Managing Series, and Nonseries Publications that are available for a small cost. Includes order form.

______:Free Management Assistance Publications (115A). Free.
Lists Management Aids, Small Marketers Aids, Small Business Bibliographies, and Small Business Administration Field Office Addresses. Also includes order form.
The above publications may be obtained by writing to the above address or calling toll free 800-433-7212 or (Texas only) 800-792-8901.

Superintendent of Documents: Subject Bibliographies, Government Printing Office, Washington DC 20402. Free.
The Government Printing Office publishes over 24,000 different publications which are for sale by the Superintendent of Documents. The bibliographies list the individual titles in one subject area.

______:Subject Bibliography Index, Government Printing Office, Washington DC 20402. Free.
Lists the titles of 270 "Subject Bibliographies," which cover such areas as Accounting and Auditing, Agricultural Yearbooks, Farms and Farming, Banks and Banking, Business and Business Management, Consumer Information, IRS Tax Information Publications, Soil and Soil Management, and Occupational Safety and Health Publications.
Also available from the Superintendent of Documents is Price List 36, which lists government periodicals and subscription services sold by the Government Printing Office.

12. GENERAL PERIODICALS

Business Week McGraw-Hill, Inc. New York NY 10020	Covers many facets of business
Changing Times 1729 H Street NW Washington DC 20006	Articles of consumer interest, including financial affairs.

Consumer Reports Consumers Union of US, Inc. Educational Division 256 Washington Street Mount Vernon NY 10550	Ratings of consumer goods and services.
Farm Journal 230 W Washington Square Philadelphia PA 19105	Covers many aspects of farming.
Money Magazine Time-Life Building 541 N Fairbanks Court Chicago IL 60611	Includes index listing previous articles, covering such subjects as Banks and Banking, Credit, Investment Strategy, and Taxes.

APPENDIX A

Checklist for Will Planning
to Assist Your Attorney

1. Full name ____________________
2. Address ____________________ Telephone __________
3. Spouse's name ____________________
4. Have you been married before? __________ Has your spouse? __________
5. Are all members of the family in good health? ____________________
6. Children's names and dates of birth ____________________

   ____

   ____
7. Executor ____________________
8. Alternate ____________________
9. Guardian(s) for children ____________________
10. Alternate ____________________
11. Tangible personal property (personal effects, car, furniture), plus any bequests of specific items (list on reverse side of page, or complete the following):

    All to spouse if surviving? __________ All to children if spouse predeceases? __________ If not, to whom? ____________________
12. Any cash bequests? __________ Any charitable bequests? __________
13. General residue of estate? ____________________

    All to spouse if surviving? ________ Outright? ________ Or in trust? ________

    If spouse predeceases, to children equally? ________ Outright? ________ Or in trust? ________

    If not survived by spouse or children, to whom (for example, parents, brothers and sisters)? ____________________

    Does your spouse manage money now? ____________________

    Should he/she manage your whole estate? ____________________
14. If trust is used, who is trustee? ____________________

    Alternate? ____________________

    When should trust terminate for children (for example, at age 25 or 30, or part at age 25, rest at 30? ____________________

    Should trust remain intact until youngest child reaches age 22? ________

15. Reciprocal will for spouse? __________ Any different provisions?
____

16. Life insurance ______________ Amount ________________________
Who is beneficiary? ____
Who is contingent? ____
Owner ______________ Any contingent owner needed? ______________
Insurance be made payable to trust? ____________ Or only if spouse
predeceases? ____

17. Any property owned as "joint tenant with right of survivorship"? _____
_______________ If so, with whom? __________________________

18. Is essentially all property "community property" of present marriage?
___________ If not, state amount of separate property for each spouse
with property description _________________________________
Please list all assets--both community and separate ______________
____
____
____

19. What debts do you have, both long term and short term, that you'd want
repaid if you died? _______________________________________
____

20. Likelihood of substantial inheritance? __________________________
Whose side? ______________ Approximate amount ________________

21. Any real estate or savings accounts outside of your locale? _________
Where? ____

22. Any burial instructions? ___________________________________

APPENDIX B

FORMS OF BUSINESS ORGANIZATION

Single Proprietorship

Advantages

1. Low start-up costs
2. Greatest freedom from regulation
3. Owner in direct control
4. Minimal working capital requirements
5. Tax advantage to small business owner
6. All profits to owner

Disadvantages

1. Unlimited liability
2. Lack of continuity
3. Difficult to raise capital

Partnership

Advantages

1. Ease of formation
2. Low start-up costs
3. Additional sources of venture capital
4. Broader management base
5. Possible tax advantages
6. Limited outside regulation

Disadvantages

1. Unlimited liability
2. Lack of continuity
3. Divided authority
4. Difficulty in raising additional capital
5. Hard to find suitable partners

Corporation

Advantages

1. Limited liability
2. Specialized management
3. Ownership is transferable
4. Continuous existence
5. Legal entity
6. Possible tax advantages
7. Easier to raise capital

Disadvantages

1. Closely regulated
2. Most expensive form to organize
3. Charter restrictions
4. Extensive recordkeeping
5. Double taxation

APPENDIX C

TAX CALENDAR/CHECKLIST

Some of the Federal Taxes for Which a Sole Proprietor,
a Partnership, or a Corporation May be Liable

If you:	You may be liable for:	Use Form:	Due on or before:
Do business as a:			
Corporation, association, etc.	Income tax	1120	15th day of 3rd month after close of tax year
	Estimated tax	5032	15th day of 4th, 6th, 9th, and 12th months of year
Subchapter S corp.	Income tax	1120-S	15th day of 3rd month after close of tax year
Partnership	Information return	1065	15th day of 4th month after close of tax year
Sole proprietor or partner	Income tax	1040	15th day of 4th month after close of tax year
	Estimated tax	1040-ES	15th day of 4th, 6th, and 9th months of tax year, and 15th day of 1st month after close of tax year
	Self-employment tax	Sch. SE	Date Form 1040 is due
Employ:			
One or more persons	Income tax withholding	941	April 30, July 31, Oct. 31, and Jan. 31
		W-3	Last day of February
	FICA taxes	W-2	January 31, or furnished to employee within 30 days after employment ends
		W-2P	January 31
	Weekly, monthly, or quarterly deposits of withholding and FICA taxes	5012	Various dates, depending upon extent of cumulative liability for unpaid taxes
	FUTA taxes	940	January 31
	Quarterly deposits of actual FUTA liability	5082	April 30, July 31, Oct. 31, and Jan. 31, but only if cumulative undeposited liability for the current and any preceding quarter exceeds $100
Operate:			
A truck, truck-tractor, or bus on public highways	Highway use tax	2290	Last day of month after month the vehicle or aircraft is first used; thereafter, annually on August 31
Civil aircraft	Civil aircraft use tax	4638	Annually on August 31
A pool, lottery, or otherwise accept wagers	Occupational tax	11-C	First engaging in wagering; annually on July 1
	Wagering tax	730	Last day of the month after the month wagers are placed
	Income tax withholding on certain gambling winnings	941	April 30, July 31, Oct. 31, and Jan. 31
		W-2G	January 31
		W-3G	Last day of February

APPENDIX D

AREA IRS NUMBERS

The listings below are numbers for calling the Internal Revenue Service within your state or local area. Use the city number listed for your area only if it is a local call; if the number would be a long-distance call for you, then dial instead the alternate toll-free number provided for your area or state. As a help in providing courteous and correct answers, IRS sometimes listens to telephone calls. However, no record is kept of the taxpayer's name, address, or Social Security number.

ALABAMA

Birmingham	252-1155
Decatur	355-1855
Huntsville	539-2751
Mobile	433-5532
Montgomery	264-8441
Muscle Shoals Area	767-0301
Tuscaloosa	758-4434
Elsewhere in Alabama	800-292-6300

ALASKA

Anchorage	276-1040
Elsewhere in Alaska, call the operator and ask for	Zenith 3700

ARIZONA

Phoenix	257-1233
Tucson	882-4181
Elsewhere in Arizona	800-352-6911

ARKANSAS

Little Rock	376-4401
Elsewhere in Arkansas	1-800-482-9350

CALIFORNIA

Please call the telephone number shown in the white pages of your local telephone directory under U.S. Government, Internal Revenue Service, Federal Tax Assistance

COLORADO

Colorado Springs	634-6684
Denver	825-7041
Elsewhere in Colorado	1-800-332-2060

CONNECTICUT

Bridgeport	576-1433
Hartford	249-8251
Stamford	348-6235
Elsewhere in Connecticut	1-800-842-1120

DELAWARE

Wilmington	573-6400
Elsewhere in Delaware	1-800-292-9575

DISTRICT OF COLUMBIA

Call	488-3100

FLORIDA

Fort Lauderdale	491-3311
Jacksonville	354-1760
Miami	358-5072
Orlando	422-2550
Pensacola	434-5215
St. Petersburg	823-7459
Sarasota	921-6684
Tampa	223-9741
West Palm Beach	655-7250
Elsewhere in Florida	1-800-342-8300

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GEORGIA

Atlanta	522-0050
Augusta	724-9946
Columbus	327-7491
Macon	746-4993
Savannah	355-1045
Elsewhere in Georgia	1-800-222-1040

HAWAII

Hawaii	935-4895
Oahu	546-8660
Kauai	245-2731
Lanai, call the operator and ask for	Enterprise 8036
Maui	244-7654
Molokai, call the operator and ask for	Enterprise 8034

IDAHO

Boise	336-1040
Elsewhere in Idaho	1-800-632-5990

ILLINOIS

Chicago	435-1040
Elsewhere in area code 312 (except in the city of Chicago) and residents in the Joliet Region telephone directory	1-800-972-5400
Belleville	277-5500
East St. Louis	875-5100
Springfield	789-4220
Elsewhere in all other locations in Illinois	1-800-252-2921

INDIANA

Evansville	424-6481
Fort Wayne	423-2331
Gary	938-0560
Hammond	938-0560
Indianapolis	269-5477
Muncie	288-4594
South Bend	232-3981
Terre Haute	232-9421
Elsewhere in Indiana	1-800-382-9740

IOWA

Des Moines	284-4850
Elsewhere in Iowa	1-800-362-2600

KANSAS

Kansas City	772-2910
Topeka	357-5311
Wichita	263-2161
Elsewhere in Kansas	1-800-362-2190

KENTUCKY

Lexington	255-2333
Louisville	584-1361
Northern Kentucky (Cincinnati local dialing area)	621-6281
Elsewhere in KY	1-800-292-6570

LOUISIANA

Baton Rouge	387-2206
New Orleans	581-2440
Shreveport	424-6301
Elsewhere in Louisiana	1-800-362-6900

MAINE

Augusta	622-7101
Portland	775-7401
Elsewhere in Maine	1-800-452-8750

MARYLAND

1-800-492-0460

MASSACHUSETTS

Boston	523-1040
Brockton	580-1770
New Bedford	996-3111
Springfield	785-1201
Worcester	757-2712
Elsewhere in Massachusetts	1-800-392-6288

MICHIGAN

Ann Arbor	769-9850
Bay City	771-2153
Detroit	237-0800
Flint	767-8830

MICHIGAN (cont.)

Grand Rapids	774-8300
Jackson	750-4677
Kalamazoo	385-4410
Lansing	394-1550
Mount Clemens	469-4200
Muskegon	726-4971
Pontiac	858-2530
Saginaw	771-2153
Elsewhere in area code 313, call	800-462-0830
Elsewhere in area codes 517, 616, and 906, call	800-482-0670

MINNESOTA

Minneapolis	291-1422
St. Paul	291-1422
Elsewhere in MN	1-800-652-9062

MISSISSIPPI

Biloxi	868-2122
Gulfport	868-2122
Jackson	948-4500
Elsewhere in Mississippi	1-800-241-3868

MISSOURI

Columbia	874-4040
Jefferson City	635-9141
Joplin	781-8500
Kansas City	474-0350
St. Joseph	364-3111
St. Louis	342-1040
Springfield	887-5000
Elsewhere in Missouri	1-800-392-4200

MONTANA

Helena	443-2320
Elsewhere in Montana	1-800-332-2275

NEBRASKA

Lincoln	477-6081
Omaha	422-1500
Elsewhere in Nebraska	1-800-642-9960

NEVADA

Las Vegas	385-6291
Reno	784-5521
Elsewhere in Nevada	1-800-492-6552

NEW HAMPSHIRE

Manchester	668-2100
Portsmouth	436-8810
Elsewhere in New Hampshire	1-800-582-7200

NEW JERSEY

Camden	966-7333
Hackensack	487-8981
Jersey City	622-0600
Newark	622-0600
Peterson	279-9400
Trenton	394-7113
Elsewhere in New Jersey	1-800-242-6750

NEW MEXICO

Albuquerque	243-8641
Elsewhere in New Mexico	1-800-527-3880

NEW YORK

ALBANY DISTRICT (Eastern Upstate New York)

Albany	449-3120
Poughkeepsie	452-7800
Elsewhere in Eastern Upstate New York	1-800-342-3700

BROOKLYN DISTRICT

Brooklyn	596-3770
Nassau	294-3600
Queens	596-3770
Suffolk	724-5000

BUFFALO DISTRICT (Western Upstate New York)

Buffalo	855-3955
Rochester	263-6770
Syracuse	425-8111
Elsewhere in Western Upstate New York	1-800-462-1560

NEW YORK (cont.)

MANHATTAN DISTRICT

Bronx	732-0100
Manhattan	732-0100
Rockland County	352-8900
Staten Island	732-0100
Westchester County:	
North (Peekskill Area)	739-9191
South (Mt. Vernon, New Rochelle, White Plains, Yonkers Area)	732-0100

NORTH CAROLINA

Charlotte	372-7750
Greensboro	274-3711
Raleigh	828-6278
Winston-Salem	761-1622
Elsewhere in North Carolina	1-800-822-8800

NORTH DAKOTA

1-800-342-4710

OHIO

CLEVELAND DISTRICT

Akron	253-1141
Canton	455-6781
Cleveland	522-3000
Toledo	255-3730
Youngstown	746-1811
Elsewhere in Northern Ohio	1-800-362-9050

CINCINNATI DISTRICT

Cincinnati	621-6281
Columbus	228-0520
Dayton	228-0557
Elsewhere in Southern Ohio	1-800-582-1700

OKLAHOMA

Oklahoma City	272-9531
Tulsa	583-5121
Elsewhere in Oklahoma	1-800-962-3456

OREGON

Eugene	485-8285
Medford	779-3375
Portland	221-3960
Salem	581-8720
Elsewhere in Oregon	1-800-452-1980

PENNSYLVANIA

Allentown	437-6966
Bethlehem	437-6966
Erie	453-5671
Harrisburg	783-8700
Philadelphia	574-9900
Pittsburgh	281-0112
Elsewhere in area codes 215 and 717, call	1-800-462-4000
Elsewhere in area codes 412 and 814, call	1-800-242-0250

RHODE ISLAND

Block Island, call the operator and ask for	Enterprise 1040
Burrillville - Glochester	568-3100
Hope Valley	539-2361
Newport	847-2463
Providence	274-1040
Tiverton - Little Compton	624-6647
Woonsocket	722-9245

SOUTH CAROLINA

Charleston	722-1601
Columbia	799-1040
Greenville	242-5434
Elsewhere in South Carolina	1-800-241-3868

SOUTH DAKOTA

Aberdeen	225-9112
Elsewhere in South Dakota	1-800-592-1870

TENNESSEE

Chattanooga	892-3010
Knoxville	637-0190
Memphis	522-1250
Nashville	259-4601
Elsewhere in Tennessee	1-800-342-8420

TEXAS

Amarillo	372-3666
Austin	472-1974
Beaumont	835-5076
Corpus Christi	888-9431
Dallas	742-2440
El Paso	532-6116
Ft. Worth	335-1370
Houston	965-0440
Lubbock	747-4361
San Antonio	229-1700
Waco	752-6535
Wichita Falls	723-6702
Elsewhere in Texas	1-800-492-4830

UTAH

Salt Lake City	524-4060
Elsewhere in Utah	1-800-662-5370

VERMONT

Burlington	658-1870
Elsewhere in Vermont	1-800-642-3110

VIRGINIA

Balleys Crossroads (Northern Virginia)	557-9230
Richmond	649-2361
Elsewhere in Virginia	1-800-552-9500

WASHINGTON

Everett	259-0861
Seattle	442-1040
Spokane	456-8350
Tacoma	383-2021
Vancouver	695-9252
Yakima	248-6891
Elsewhere in Washington	1-800-732-1040

WEST VIRGINIA

Charleston	345-2210
Huntington	523-0213
Parkersburg	485-1601
Wheeling	233-4210
Elsewhere in West Virginia	1-800-642-1931

WISCONSIN

Milwaukee	271-3780
Elsewhere in WI	1-800-452-9100

WYOMING

Cheyenne	635-4124
Elsewhere in Wyoming	1-800-525-6060

APPENDIX E

EQUAL CREDIT OPPORTUNITY ACT--FEDERAL ENFORCEMENT AGENCIES

If you think you have been discriminated against, you might want to file a complaint. If you're uncertain where to take your question or complaint, contact any Federal Reserve Bank (located in Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco) or the Division of Public Affairs, Board of Governors of the Federal Reserve System, Washington D.C. 20551.

National Banks

Comptroller of the Currency
Consumer Affairs Division
Washington D.C. 20219

State Member Banks

The Federal Reserve Bank serving the district in which the state member bank is located, or

Board of Governors of the Federal Reserve System
Twentieth Street and Constitution Avenue NW
Washington D.C. 20551

Nonmember Insured Banks

The Federal Deposit Insurance Corporation (FDIC) Regional Director for the region in which the nonmember insured bank is located, or

Federal Deposit Insurance Corporation
550 Seventeenth Street NW
Washington D.C. 20429

Savings Institutions Insured by the Federal Savings and Loan Insurance Corporation (FSLIC) and Members of the Federal Home Loan Bank (FHLB) System (except for Savings Banks Insured by FDIC)

The Federal Home Loan Bank Board Supervisory Agent in the district in which the institution is located.

Federal Credit Unions

The regional office of the National Credit Union Administration serving the area in which the Federal credit union is located, or

National Credit Union Administration
2025 M Street NW
Washington D.C. 20456

Creditors Subject to Civil Aeronautics Board

Director, Bureau of Enforcement
Civil Aeronautics Board
1825 Connecticut Avenue NW
Washington D.C. 20428

Creditors Subject to Interstate Commerce Commission

Office of Proceedings
Interstate Commerce Commission
Washington D.C. 20523

Creditors Subject to Packers and Stockyards Act

Nearest Packers and Stockyards Administration area supervisor.

Small-Business Investment Companies

U.S. Small Business Administration
1441 L Street NW
Washington D.C. 20416

Brokers and Dealers

Securities and Exchange Commission
Washington D.C. 20549

Federal Land Banks, Federal Land Bank Associations, Federal Intermediate Credit Banks and Production Credit Associations

Farm Credit Administration
490 L'Enfant Plaza SW
Washington D.C. 20578

Mortgage Bankers, Consumer Finance Companies and All Other Creditors

Federal Trade Commission Regional Office for region in which the creditor operates, or

Federal Trade Commission
Equal Credit Opportunity
Washington D.C. 20580

Any complaints may also be referred to the Civil Rights Division of the Department of Justice, Washington D.C. 20530.

APPENDIX F

RESOURCES FOR INFORMATION ON WOMEN'S RIGHTS AND RESPONSIBILITIES

FEDERAL GOVERNMENT AGENCIES

COMMISSION ON CIVIL RIGHTS

Women's Rights Program Unit
U.S. Commission on Civil Rights
1121 Vermont Avenue NW, Room 410
Washington D.C. 20425
202/254-8127

DEPARTMENT OF COMMERCE

Task Force on Women Business Owners
Main Commerce Building, Room 6863
U.S. Department of Commerce
Washington D.C. 20230
202/377-5770

U.S. DEPARTMENT OF EDUCATION

National Advisory Council on Women's Educational Programs
U.S. Department of Education
1832 M Street NW, Suite 821
Washington D.C. 20036
202/653-5846

Secretary's Advisory Committee on the Rights and Responsibilities of Women
U.S. Department of Education
330 Independence Avenue SW, Room 3062 North
Washington D.C. 20201
202/245-6606

Women's Action Program
U.S. Department of Education
330 Independence Avenue SW, Room 3059 North
Washington D.C. 20201
202/245-6606

Women's Program Office
Office of Education
U.S. Department of Education
400 Maryland Avenue SW, Room 3121
Washington D.C. 20202
202/245-2181

Women's Research Program
National Institute of Education
U.S. Department of Education
1200 19th Street NW, Room 815
Washington D.C. 20208
202/254-5406

DEPARTMENT OF JUSTICE

Task Force on Sex Discrimination
Civil Rights Division
U.S. Department of Justice
Safeway Building
521 12th Street NW
Washington D.C. 20530
202/724-6758

DEPARTMENT OF LABOR

Interdepartmental Coordinating Committee for Women
Women's Bureau
U.S. Department of Labor
200 Constitution Avenue NW, Room S3002
Washington D.C. 20210
202/523-6611

National Advisory Committee for Women
U.S. Department of Labor
200 Constitution Avenue NW, Room C5321
Washington D.C. 20210
202/523-6707

Women's Bureau
U.S. Department of Labor
200 Constitution Avenue NW, Room S3002
Washington D.C. 20210
202/523-6611

DEPARTMENT OF STATE

International Women's Programs
U.S. Department of State
2201 C Street NW, Room 1427
Washington D.C. 20520
202/632-6906

OFFICE OF PERSONNEL MANAGEMENT (Formerly U.S. Civil Service Commission)

Federal Women's Program
U.S. Office of Personnel Management
1900 E Street NW, Room 7540
Washington D.C. 20415
202/632-6870

U.S. CONGRESS

Congressional Clearinghouse on Women's Rights
U.S. House of Representatives
722 House Annex, Building No. 1
Washington D.C. 20515
202/225-2947

WHITE HOUSE

Interdepartmental Task Force on Women
Sarah Weddington
Office of Public Liaison
White House
Washington D.C. 20500
202/456-6585

NATIONAL ORGANIZATIONS

RURAL AMERICAN WOMEN, INC.

1522 K Street NW, Suite 700
Washington D.C. 20005
202/785-4700

WOMEN'S RIGHTS PROJECT

Center for Law and Social Policy
1751 N Street NW
Washington D.C. 20036
202/872-0670

APPENDIX G

FEDERAL CONSUMER OFFICES

From the Directory of the Federal Consumer Office, Office of Consumer Affairs, U.S. Department of Education.

BANKS

Federal Credit Unions

National Credit Union Administration
2025 M Street NW
Washington D.C. 20456
202/254-8760

Federal Reserve Banks

Office of Saver and Consumer Affairs
Federal Reserve System
Washington D.C. 20551
202/452-3000

Federally Insured Savings and Loans

Consumer Division
Office of Community Investment
Federal Home Loan Bank Board
Washington D.C. 20552
202/377-6237

National Banks

Consumer Affairs
Office of the Comptroller of the Currency
Washington, D.C. 20429
202/447-1600

State Chartered Banks

Office of Bank Customer Affairs
Federal Deposit Insurance Corporation
Washington, D.C. 20429
202/389-4427

BUSINESS

Office of the Ombudsman
Department of Commerce
Washington D.C. 20230
202/377-3176

Director
Women-in-Business and Consumer Affairs
Small Business Administration
1441 L Street NW
Washington D.C. 20416
202/653-6074

COMMODITY TRADING

Consumer Hotline
Commodity Futures Trading Commission
2033 K Street NW
Washington D.C. 20581
Toll free: 800/424-9838 (California and states east of the Mississippi)
800/227-4428 (states west of the Mississippi, except California)
254-8630 (in Washington D.C.)

CREDIT

Director
Bureau of Consumer Protection
Federal Trade Commission
Washington D.C. 20850
202/523-3727

DISCRIMINATION

Equal Employment Opportunity Commission
2401 E Street NW
Washington D.C. 20506
202/634-6930

U.S. Commission on Civil Rights
1121 Vermont Avenue NW
Washington D.C. 20425
202/254-6697

For complaints about discrimination in lending practices by financial and retail institutions based on race, color, religion, national origin, sex, marital status, age, or receipt of public assistance, contact

Housing and Credit Section
Civil Rights Division
Justice Department
Washington D.C. 20530
202/739-4123

EDUCATION GRANTS AND LOANS

Office of Public Affairs
Office of Education
Washington D.C. 20202
202/245-7949
Toll free: 800/638-6700 (for Basic Education Opportunity Grants)
800/492-6602 (in Maryland)

EMPLOYMENT AND JOB TRAINING

Check your phone directory under your state government for the Employment Service or under your local government for the mayor's office for employment and training programs. You can obtain information by writing to

Employment and Training Administration
Department of Labor
Washington D.C. 20213
202/376-6905

ENERGY

Director
Office of Consumer Affairs
Department of Energy
Washington D.C. 20585
202/252-5141

ENERGY EFFICIENCY

Information Office
National Bureau of Standards
Washington D.C. 20234
301/921-3181

ENVIRONMENT

Office of Public Awareness
Environmental Protection Agency
Washington D.C. 20460
202/755-0700

FRAUD

Director
Bureau of Consumer Protection
Federal Trade Commission
Washington D.C. 20580
202/532-3727

JOB SAFETY

Office of Information
Occupational Safety and Health Administration
Department of Labor
Washington D.C. 20210
202/523-8151

MAIL

Fraud--check with your local postal inspector about problems relating to mail fraud and undelivered merchandise, or contact

Chief Postal Inspector
U.S. Postal Inspection Service
Washington D.C. 20260
202/245-5445

Service--check with your local postmaster, or contact

Consumer Advocate
U.S. Postal Service
Room 5920
Washington D.C. 20260
202/245-4514

PENSIONS

Labor Management Standards Administration
Department of Labor
Washington D.C. 20210
202/523-8776

Office of Communications
Pension Benefit Guaranty Corporation
2020 K Street NW
Washington D.C. 20006
202/254-4817

SOCIAL SECURITY

Check your local phone directory under U.S. Government, or check at your local post office for the schedule of visits by Social Security representatives, or write

Division of Public Inquiries
Social Security Administration
6401 Security Boulevard
Baltimore MD 21235
301/594-7705

STOCKS AND BONDS

Consumer Liaison Office
Securities and Exchange Commission
Washington D.C. 20549
202/523-5516

TAXES

The Internal Revenue Service toll-free numbers are listed in Appendix D. The IRS has established Problem Resolution Program (PRP) offices in each district to solve problems and complaints that have not been satisfied through normal channels. You can call the toll-free number and ask for the PRP office, or write

IRS District Director
Problem Resolution Program

at the district office nearest you.

WAGES AND WORKING CONDITIONS

Employment Standards Administration
Department of Labor
Washington D.C. 20210
202/523-8743

WARRANTIES

For a problem involving the failure of a seller to honor a warranty, contact

Division of Special Statutes
Federal Trade Commission
Washington D.C. 20580
202/724-1100

Or you may contact the FTC regional office nearest you. They are listed in your phone directory under U.S. Government.

APPENDIX H

GENERAL RESOURCES

Many Federal and nongovernmental agencies and organizations provide information and services just for the asking. They might be able to answer your questions directly; refer you to the appropriate office or person; or advise you of newsletters and other publications, many of which are free or available at minimum cost, in your area of interest. What follows is not a complete listing, but can surely add to your understanding of business and money management. These can be helpful resources.

FEDERAL AGENCIES

COMMISSION ON CIVIL RIGHTS

Public Affairs Office
Commission on Civil Rights
1121 Vermont Avenue NW
Washington D.C. 20425
202/254-6697

Publications: A catalog of publications is available upon request from

Publications Management Division
1121 Vermont Avenue NW
Room 700
Washington D.C. 20425
202/254-7381

DEPARTMENT OF AGRICULTURE

Office of Governmental and Public Affairs
Department of Agriculture
Washington D.C. 20250
202/447-2791

Agricultural Marketing Service

Information Division
Agricultural Marketing Service
Department of Agriculture
Washington D.C. 20250
202/447-6766

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Farmers Home Administration

Information Staff
Farmers Home Administration
Department of Agriculture
Washington D.C. 20250
202/447-4323

Forest Service

Information Office
Forest Service
Department of Agriculture
PO Box 2417
Washington D.C. 20013
202/447-3760

Rural Electrification Administration

Information Services Division
Rural Electrification Administration
Department of Agriculture
Washington D.C. 20250
202/447-5606

Science and Education Administration (Extension Service)

Information and Publications Staff
Science and Education Administration
Department of Agriculture
Washington D.C. 20250
202/447-4111

Soil Conservation Service

Information Division
Soil Conservation Service
Department of Agriculture
Washington D.C. 20250
202/447-4543

Publications: Many publications on a wide variety of subjects are available. Ask for a free copy of List 5, which lists current available publications and prices. Write to

Office of Governmental and Public Affairs
Department of Agriculture
Washington D.C. 20250

DEPARTMENT OF COMMERCE

Office of Communications
Department of Commerce
Washington D.C. 20230
202/377-4901

Economic Development Administration

Office of Public Affairs
Economic Development Administration
Department of Commerce
Washington D.C. 20230
202/377-5113

Industry and Trade Administration, Bureau of Domestic Business Development

Industry and Trade Administration
Department of Commerce
Washington D.C. 20230
202/377-3808

Office of Minority Business Enterprise

Information Center
Office of Minority Business Enterprise
Department of Commerce
Washington D.C. 20230
202/377-3024

Publications: Many publications are available, and cover a wide range of business, economic, and technical subjects. They are announced in the weekly Business Service Checklist, which can be purchased from the Superintendent of Documents, Government Printing Office, Washington D.C. 20402. Further information on Department of Commerce publications is available from the Department's Industry and Trade Administration District Offices and from

Information Center of the National Technical
Information Service
425 Thirteenth Street NW, Room 620
Washington D.C. 20230

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Information Center
U.S. Department of Education
200 Independence Avenue SW
Washington D.C. 20201
202/245-6295

Office of Education

Office of Education
U.S. Department of Education
Washington D.C. 20202
Toll-free number 800/638-6700 (except Maryland)
800/492-6602 (Maryland)

Social Security Administration

Division of Public Inquiries
Social Security Administration
6401 Security Boulevard
Baltimore MD 21235
301/594-7705

SSA Publications: Information about publications may be obtained from

Publications Staff
Office of Research and Statistics
Room 1120
Social Security Administration
1875 Connecticut Avenue NW
Washington D.C. 20009

The SSA Office of Information has published many pamphlets which may be obtained at any of the SSA's local offices.

DEPARTMENT OF JUSTICE

Office of Public Information
Department of Justice
Constitution Avenue and Tenth Street NW
Washington D.C. 20530
202/737-8200

DEPARTMENT OF LABOR

Office of Information, Publications, and Reports
Room S1032
200 Constitution Avenue NW
Washington D.C. 20210
202/523-7316

Employment Standards Administration

Regional Offices*

Employment Standards Administration, Wage and Hour Division

Regional Offices*

Employment Standards Administration, Office of Workers' Compensation Programs

District Offices

Occupational Safety and Health Administration

Regional Offices*

or

Room N-3641
Third and Constitution Avenue NW
Washington D.C. 20210

Women's Bureau

Regional Offices*

Bureau of Labor Statistics

Information Office
Bureau of Labor Statistics
General Accounting Office Building
Room 1539
441 G Street NW
Washington D.C. 20212

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* Regional office addresses are listed on the following page.

Regional offices* of the Bureau of Labor Statistics are located in Atlanta, Boston, Chicago, Dallas, Kansas City, New York, Philadelphia, and San Francisco.

Publications: A subject listing, Publications of the U.S. Department of Labor, is available from the Office of Information, Publications, and Reports. A booklet describing the activities of the major agencies within the department is also available. Some publications of the Bureau of Labor Statistics are available free and others are for sale; inquiries may be directed to the Information Office at the above address or to the Bureau's regional office. Publications of the Employment Standards Administration, such as Handy Reference Guide to the Fair Labor Standards Act and Affirmative Action for Equal Employment Opportunity, are available at the nearest regional office. Single copies are free.

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*Regional Offices:

Atlanta GA 30309
(1371 Peachtree Street NE)

Boston MA 02203
(John F. Kennedy Federal Building)

Chicago IL 60604
(230 South Dearborn Street)

Dallas TX 75202
(555 Griffin Square Building)

Denver CO 80202
(1961 Stout Street)

Kansas City MO 64106
(911 Walnut Street)

New York NY 10036
(1515 Broadway)

Philadelphia PA 19104
(3535 Market Street)

San Francisco CA 94102
(450 Golden Gate Avenue)

Seattle WA 98104
(909 1st Avenue)

DEPARTMENT OF THE TREASURY
Internal Revenue Service

Public Affairs Division
Internal Revenue Service Headquarters
Department of the Treasury
1111 Constitution Avenue NW
Washington D.C. 20224
202/566-5000

Toll-free numbers are listed in Appendix D.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Director
Office of Public Affairs
Equal Employment Opportunity Commission
2401 E Street NW
Washington D.C. 20506
202/634-6930

FARM CREDIT ADMINISTRATION

Public Affairs Division
Farm Credit Administration
490 L'Enfant Plaza East SW
Washington D.C. 20578

Publications: Pamphlet A-29 gives a complete descriptive listing of the publications of the Farm Credit Administration.

Also write to the above address for information on the

Federal Intermediate Credit Bank
Federal Land Bank Association
Production Credit Association

FEDERAL DEPOSIT INSURANCE CORPORATION

Information Office
Federal Deposit Insurance Corporation
550 Seventeenth Street NW
Washington D.C. 20429
202/389-4221

For information for bank depositors and customers about deposit insurance or aspects of the Truth-in-Lending Act legislation which the corporation administers, write to

Director
Office of Consumer Affairs and Civil Rights
Federal Deposit Insurance Corporation
550 Seventeenth Street NW
Washington D.C. 20429

Inquiries about types of records available to the public may be directed to the Office of the Executive Secretary at the above address.

FEDERAL RESERVE SYSTEM
Board of Governors of the Federal Reserve System

Office of Public Affairs
Board of Governors
Federal Reserve System
Washington D.C. 20551
202/452-3204

Publications: Copies of pamphlets are available free of charge. They include What Truth in Lending Means to You, If You Borrow to Buy Stock, Fair Credit Billing, Truth in Leasing, and several pamphlets describing the Equal Credit Opportunity Act. Information about publications may be obtained from Room MP-510; Martin Building, at the above address. Phone 202/452-3245.

FEDERAL TRADE COMMISSION

Director
Office of Public Information
Federal Trade Commission
Pennsylvania Avenue at Sixth Street NW
Washington D.C. 20580
202/523-3830

Publications: Federal Trade Commission--List of Publications lists a number of publications which are of interest to the general public, and is available by writing

Division of Legal and Public Records
Federal Trade Commission
Washington D.C. 20580

GENERAL SERVICES ADMINISTRATION

Director of Public Affairs
General Services Administration
General Services Building
Eighteenth and F Streets NW
Washington D.C. 20405
202/566-1297

Inquiries about information on programs to assist small businesses should be directed to the nearest Business Service Center.

Publications: GSA publishes the Consumer Information Catalog. For a brief index of GSA publications, write

Chief of Publications
Information Division (AVI)
General Services Administration
Washington D.C. 20405

INTERSTATE COMMERCE COMMISSION

Office of Communications and Consumer Affairs
Interstate Commerce Commission
Twelfth Street and Constitution Avenue NW
Washington D.C. 20423
202/275-7252

For consumer assistance, call toll free 800/424-9312.

The Commission maintains a Small Business Assistance Office to help the small-business person in matters related to interstate commerce. Inquiries should be directed to

Small Business Assistance Office
Room 3219
Interstate Commerce Commission
Washington D.C. 20423

Publications: A complete list of publications is available by writing to the Office of Communications and Consumer Affairs.

NATIONAL CREDIT UNION ADMINISTRATION

Office of the Administrator
National Credit Union Administration
Washington D.C. 20456
202/254-9800

Publications: A copy of the current edition of the NCUA Publications List, containing a complete listing of all publications issued by the agency, plus single copies of Organizing a Federal Credit Union, Federal Credit Unions, and Annual Report of the National Credit Union Administration may be obtained free of charge by writing

National Credit Union Administration
Washington D.C. 20456

PENSION BENEFIT GUARANTY CORPORATION

Pension Benefit Guaranty Corporation
2020 K Street NW
Washington D.C. 20006
202/254-4817

For information about Individual Retirement Accounts, write to the above address.

SECURITIES AND EXCHANGE COMMISSION

Office of Public Information
Securities and Exchange Commission
500 North Capitol Street
Washington D.C. 20549
202/755-4846

Publications: Publications, including materials of assistance to the potential investor, are available from the Publications Unit. Also available is information on security laws which pertain to small businesses in relation to securities offerings.

SMALL BUSINESS ADMINISTRATION

Office of Public Information
Small Business Administration
1441 L Street NW
Washington D.C. 20416

There are SBA field offices in most major cities.

Publications: The Small Business Administration publishes many booklets, which are either free or available at a nominal charge, covering many topics of interest to persons in small businesses. Free SBA publications are listed on Form 115A, and publications which are for sale are listed on Form 115B. Both the lists and the publications may be obtained from SBA District Offices, by calling toll free 800/433-7212 (except Texas) or 800/729-8901 (Texas only) and by writing

Small Business Administration
PO Box 15434
Fort Worth TX 76119

NONGOVERNMENTAL AGENCIES AND ORGANIZATIONS

AGRICULTURAL COUNCIL OF AMERICA
1625 I Street NW
Suite 1025
Washington D.C. 20006

AMERICAN AGRI-WOMEN
Sharon Steffens
6690 Walker NW
Grand Rapids MI 49504

AMERICAN BANKERS ASSOCIATION
Public Relations Office
1120 Connecticut Avenue NW
Washington D.C. 20036

AMERICAN BAR ASSOCIATION
1155 E 60th Street
Chicago IL 60637

AMERICAN COUNCIL OF LIFE INSURANCE
Education and Community Services
1850 K Street NW
Washington D.C. 20006

AMERICAN FARM BUREAU FEDERATION
225 Touhy Avenue
Park Ridge IL 60068

AMERICAN INSTITUTE FOR ECONOMIC RESEARCH
Great Barrington MA 01230

AMERICAN SAVINGS AND LOAN LEAGUE
733 15th Street NW
Washington D.C. 20011

AMERICAN WOMEN'S ECONOMIC DEVELOPMENT CORPORATION
1270 Avenue of the Americas
New York NY 10020

ASSOCIATED CREDIT BUREAUS, INC.
6767 Southwest Freeway
Houston TX 77074

BANK OF AMERICA
Box 37128
San Francisco CA 94137

CENTER FOR WOMEN'S OPPORTUNITY
American Association of Community and Junior Colleges
1 Dupont Circle NW
Suite 419
Washington D.C. 20036

CHAMBER OF COMMERCE OF THE UNITED STATES
1615 H Street NW
Washington D.C. 20062

COMMERCIAL CREDIT CORPORATION
300 St. Paul Place
Baltimore MD 21202

COMMITTEE TO ORGANIZE WOMEN'S WORLD BANKING
PO Box 1691
Grand Central Station
New York NY 10017

CONSUMER FEDERATION OF AMERICA
1012 14th Street NW
Suite 901
Washington D.C. 20005

CONSUMERS UNION OF THE UNITED STATES
256 Washington Street
Mount Vernon NY 10550

COUNCIL OF BETTER BUSINESS BUREAUS
Publication Department
1150 17th Street NW
Washington D.C. 20036

CREDIT UNION NATIONAL ASSOCIATION, INC.
P.R. Division, HF
PO Box 431
Madison WI 53701

HOUSEHOLD FINANCE CORPORATION
Money Management Institute
2700 Sanders Road
Prospect Heights IL 60070

INSURANCE INFORMATION INSTITUTE
110 William Street
New York NY 10038

INTERNATIONAL CONSUMER CREDIT ASSOCIATION
Department of Education
375 Jackson Avenue
St Louis MO 63130

INVESTMENT COMPANY INSTITUTE
1775 K Street NW
Washington D.C. 20006

JOINT COUNCIL ON ECONOMIC EDUCATION
1212 Avenue of the Americas
New York NY 10036

MERRILL LYNCH PIERCE FENNER & SMITH, INC.
165 Broadway
One Liberty Plaza
New York NY 10006

NATIONAL ASSOCIATION OF WOMEN BUSINESS OWNERS
2000 P Street NW
Suite 410
Washington D.C. 20036

NATIONAL CONSUMER CENTER FOR LEGAL SERVICES
1302 18th Street NW
Suite 303
Washington D.C. 20005

NATIONAL CONSUMER FINANCE ASSOCIATION
Educational Services Division
1000 Sixteenth Street NW
Washington D.C. 20036

NATIONAL CONSUMER LAW CENTER
One Court Street
Boston MA 02108

NATIONAL FOUNDATION FOR CONSUMER CREDIT, INC.
Federal Bar Building West
1819 H Street NW
Washington D.C. 20006

NATIONAL GRANGE
1616 H Street NW
Washington D.C. 20006

NATIONAL LEGAL AID AND DEFENDER ASSOCIATION
1155 East 60th Street
Chicago IL 60637
or
2110 M Street NW
Suite 601
Washington D.C. 20037

NATIONAL SAVINGS AND LOAN LEAGUE
1100 15th Street NW
Suite 400
Washington D.C. 20005

NEW YORK STOCK EXCHANGE
11 Wall Street
New York NY 10005

OREGON WOMEN FOR AGRICULTURE
Ruby Ringsdorf
28781 Bodenhamer Road
Eugene OR 97402

RESEARCH INSTITUTE OF AMERICA
589 Fifth Avenue
New York NY 10017

RURAL AMERICAN WOMEN
1522 K Street NW, Suite 700
Washington D.C. 20005

UNITED STATES LEAGUE OF SAVINGS ASSOCIATIONS
111 East Wacker Drive
Chicago IL 60601

UNITED STATES NATIONAL BANK OF OREGON
Broadway and Sixth at Stark
PO Box 4412
Portland OR 97208

APPENDIX I

SUGGESTED FORMATS FOR WORKSHOPS ON BUSINESS MANAGEMENT TRAINING

Committee

A small committee of dedicated, enthusiastic workers can do much to ensure the success of a workshop on business management training for rural women. Committee members can work on publicity, decide on the workshop format and topics, and arrange for speakers and panelists. Also, they can put together a list of local resources, such as the address and phone number of the local IRS office and the services it provides.

Advertising

Placing notices and articles in the newspapers (the larger dailies and the smaller community weeklies) is one of the best ways to publicize your workshop. Begin this kind of publicity about one and a half to two months before you hold the workshop. A sample notice could state:

> A workshop on business and management training for rural women is in the planning stages . . . Committee members are ______(names)______ . . . For more information, call (contact person and phone number).

One month before the workshop is held, announce the date, time, location, proposed topics, etc. One week before the workshop, then one or two days before it, make sure that reminders are put in the newspapers. Another good way to reach people is through radio and TV spots--public service announcements, for example. Committee members can appear on local talk shows, and they can speak at community gatherings. Finally, prepare brochures and posters that can be put on bulletin boards (in grocery stores, etc.); left at banks, libraries, and granges; and distributed through the County Extension Service and other clubs and organizations.

Preregistration Be sure you arrange for preregistration; although preregistration will probably not reflect exactly the number of participants, it will tell you whether to expect approximately five or fifty persons. The brochure can include a form to be filled out and returned to you, with a place for name, address, and phone number. You can also ask people to specify on the form whether their main interest is in farm/ranch, small business, or personal money management. You might also ask them to specify the topic(s) they are most interested in: estate planning, taxes, recordkeeping, credit, etc. This information would be a help in planning the workshop agenda. In all publicity, encourage preregistration.

Location Possibilities: High schools, elementary schools, granges, community buildings, community colleges, church halls, Extension Service meeting rooms, homes, etc. Choose a location in which you think the participants would feel comfortable, i.e., a neutral ground.

Leaders Leaders need to be relaxed and confident speakers and teachers; businesslike, yet enthusiastic about the subject matter; flexible within reason; able to encourage questions and participation, yet lead back to the subject at hand; and able to keep the workshop running smoothly and briskly. The atmosphere should be one of mutual respect.

Speakers Speakers should be successful in and knowledgeable about their fields, and able to get ideas and information across clearly. Inquire about good speakers; they should be aware of and sympathetic to women's sensibilities and should try to use nonsexist language (e.g., not say "to be a good businessman . . ." or "when you go to a loan officer, the first thing he . . ." or "I'm really happy to see so many lovely ladies . . ."). Try to get women speakers for role models. The following are possibilities. If someone cannot attend, ask if she or he can recommend someone else.

- Bank or credit union manager
- Bank loan officer
- Trust officer/attorney
- Credit counselor
- Investment counselor
- Stockbroker
- Business teacher at college
- Accounting teacher
- Public accountant or CPA
- Attorney (tax, consumer rights, estate, etc.)
- Representative from:
    - Small Business Administration
    - SCORE
    - IRS
    - Social Security Administration
    - Chamber of Commerce
    - Department of Agriculture
    - Extension Service
    - Federal Trade Commission
    - State Employment Office
    - Planning and Zoning Office
    - Credit Bureau
    - Consumer Protection Agency
    - Farmers Home Administration
    - Production Credit Association
    - Better Business Bureau

Panelists

Make sure panelists represent different types of businesses, and both small-business and farming operations. (You don't want four clothing store owners.) You can talk to your Chamber of Commerce, bankers, other business people, or the Extension Service for ideas.

Possibilities:

- Farm/orchard/ranch owner or manager
- Retail store owner or manager (grocery, furniture, antique, craft, jewelry, hardware, etc.)
- Wholesale business owner (agricultural product)
- Realtor
- Craftswoman in business for herself
- Service trade (landscaping, building contracting, consulting, etc.)

Questions for panelists:

How did you get started?
What gave you the idea/encouragement/push?
What kinds of work experiences did you have before?
What resources did you use?
What advice would you give other women in business?
What would you do differently today?
What are things you had to learn the hard way?
What do you wish you would have known before?
What gives you the most satisfaction and happiness in your work?

WORKSHOP FORMATS

Following are sample workshop formats. The format you choose for your workshop will depend upon the time available and your needs and objectives. Consider, too, when it would be most easy for participants to attend; for example, business people would perhaps not be able to attend on a weekday, and farm people would probably not be able to attend during harvesting.

Throughout each workshop, the leader should encourage questions and sharing. The leader should arrive prepared with questions--perhaps about attitudes and experiences--in order to encourage maximum participation.

The following suggested schedules do not take into account time for breaks (with the exception of a 6-hour workshop that includes lunch). You may or may not want to allow time for breaks; if so, adjust the workshop times accordingly.

One 4-Hour Session (e.g., 1:00-5:00 p.m., on a weekday)

1/2 hour	Purpose of workshop, overview of materials
1 hour	Participants introduce themselves, tell what they do, what their interests and objectives are Discussion of needs, questions
1 hour	Bank manager--banking services how to apply for a loan costs of credit--annual percentage rates, finance charges credit cards--management
1 hour	CPA--recordkeeping for tax purposes depreciation reading financial statements
1/2 hour	Free resources, samples, discussion of bibliography

Three 2 1/2-Hour Sessions (e.g., 7:00-9:30 p.m., three successive Mondays)

1st Session

1 hour	Introduction--purpose of workshop, handbook Word association game (explanation on page 159) Discussion of needs and questions
1/2 hour	Businesswoman from community tells how she got started, problems she has encountered and solved, what she has learned the hard way, what is the most satisfying about her work, etc.
1 hour	Participants introduce themselves, what they do, what their skills are, what they would like to learn. ("You are resources for each other.")

2nd Session

50 min.	SBA/SCORE representative--her or his business background services of SBA/SCORE
50 min.	Bank officer--banking services sources of credit types of loans financial planning
50 min.	Estate attorney--estate planning and taxation

3rd Session

1 hour	Accounting teacher--basic recordkeeping requirements for a good system recordkeeping for taxes
1 hour	Panel of businesswomen and farm managers
1/2 hour	Free resources Wrap-up

Two 3-Hour Sessions (e.g., 9:00 a.m.-12:00 noon, two successive Wednesdays)

1st Session

1 hour	Introduction--explanation of workshop purposes overview of handbook Participants introduce themselves Discussion of needs
1/2 hour	Loan officer--women and credit how to apply for a loan interest rates
1/2 hour	CPA--basic information about recordkeeping recordkeeping for taxes
1 hour	Panel of businesswomen and farm managers

2nd Session

1/2 hour	Land-use planner--issues agricultural planning
1/2 hour	SBA/SCORE representative--services of SBA/SCORE
1 1/2 hour	Panel composed of investor, trust officer, estate attorney, IRS representative
1/2 hour	Wrap-up

Note: You could hold an optional third session, perhaps two hours in length, for free discussion, interaction, and evaluation.

One 3-Hour Session

1 hour	Overview of project, materials
1/2 hour	Loan officer--banking services costs of credit
1/2 hour	CPA--how to set up a recordkeeping system what it should show you
45 min.	Panel of businesswomen and farm managers
15 min.	Wrap-up

One 6-Hour Session

1/2 hour	Introduction, overview of materials, discussion of needs, questions
1/2 hour	Bank manager--sources and types of loans costs of credit credit management
1/2 hour	Accountant--what do you need to know about an accounting system?
1/2 hour	SBA/SCORE
1/2 hour	Attorney--women's legal rights
1/2 hour	Estate planner
1/2 hour	Small group discussion
1/2 hour	Lunch
1 hour	Panel of business/farm owners
1/2 hour	Discussion of resources and annotated bibliography
1/2 hour	Wrap-up

Word Association Game

Participants write down or say the first things that come into their minds after you say each word. They can see that others share the same feelings, associations, attitudes, and values about money matters--and see other possibilities, too. From there, you can explore how our concepts are shaped and formed, how they are influenced by roles and expectations, etc. These words are examples--feel free to add your own.

money
loan
bank
budget
taxes
records
government
business
security
savings
profit
insurance
salary
interest
capital
credit cards
Social Security
cash
bookkeeping
budget

Suggested Topics for Speakers or Discussion

FINANCIAL PLANNING

Determining fixed and flexible expenses
Goal setting
Planning for retirement
Investments--types of securities
Budgeting
Planning and goal setting for businesses
Life insurance, real estate, Social Security, pension funds
Resources

CREDIT

Women's credit rights
Fair Credit Reporting Act
Fair Credit Billing Act
Equal Credit Opportunity Act
Annual percentage rate
Finance charges
Types of loans
Sources of credit
Establishing your credit history
Comparing credit charges
Resources

RECORDKEEPING

Determining profit and loss
Reading financial statements
Using ratios and relationships
Balance sheets
Inventories
Cash or accrual
Single or double entry
Depreciation
How to set up a simple system
Means to planning and goal setting
Resources

BUSINESS REGULATIONS

Creation and termination of partnerships and corporations
Rights, duties, and liabilities
Resources

PERSONNEL

Supervising
Training
Payroll procedures
Labor-management relations
Social Security requirements
Wages
Resources

TAXES

Tax responsibilities of small businesses
Tax responsibilities of farms and ranches
Reporting requirements
Preparation of returns for sole proprietorships, partnerships, and corporations
Depreciation
Resources

ESTATE PLANNING

Wills
Trusts
Devices
Investments
Federal and state gift and inheritance taxes
Probate
Resources

PROPERTY MANAGEMENT

Agricultural land use
Analysis of residential and urban planning
Building permits
Government control factors
Land-use planning
Zoning
Septic permits
Variances
Water rights
Resources

OTHER

Budgetary planning and controls
Marketing strategy
Price determination
Purchasing
Production
Sales
Cost determination

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